

6204. By the SPEAKER: Petition of Lieutenants' Benevolent Association, Police Department, New York, resolving that the Lieutenants' Benevolent Association, Police Department, city of New York, go on record as favoring legislation which will exempt persons receiving pensions from city, State, and Federal Governments, from paying Federal income taxes on such pensions; to the Committee on Ways and Means.

## SENATE

WEDNESDAY, NOVEMBER 22, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, Thou hast crowned our years with Thy goodness. We gratefully rejoice that we are the heirs of that first altar of thanksgiving set upon a strange shore by "rude men, unlovely, yes, but great, who prayed about the cradle of our state." In this later era, shadowed by horror, we would surround the same shrine whose stones have never crumbled as we, too, holding the Pilgrim faith, thank their God and ours and take courage.

Let not the spirit of thankfulness die in our hearts, thankfulness for a great heritage worth living and dying for; gratitude for abiding faith that will survive all disaster and rise triumphant above the wrecks of time. With all its sacrifices and separations, with all its loss and its death, we thank Thee for a noble cause which defends and rescues the despoiled and despairing, which lifts again to life and light those by the oppressor's lash outraged in body and soul, and whose victory will bring at last justice and freedom to all mankind.

"We thank Thee that there burns in youth

The love of liberty and truth,  
That man his faith in Thee retains  
Even when tortured and in chains.  
For all our gallant absent men  
We pray, for Thy peace again,  
That at Thy table, peace restored,  
We sit with them and Thee, O Lord."

Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, November 21, 1944, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had

passed without amendment the following bills of the Senate:

S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer;

S. 1101. An act to provide for the payment of the claim of John C. Shaw, administrator de bonis non of the estate of Sydney C. McLouth, deceased, arising out of a contract between said deceased and the United States Shipping Board Emergency Fleet Corporation, for the construction of seagoing tugs;

S. 1226. An act for the relief of Charles T. Allen;

S. 1365. An act for the relief of J. C. Drewry;

S. 1451. An act to amend the act entitled "An act for the confirmation of the title to the Saline lands in Jackson County, State of Illinois, to D. H. Brush, and others," approved March 2, 1861;

S. 1453. An act for the relief of the City National Bank Building Co.;

S. 1461. An act for the relief of Frederick G. Goebel;

S. 1465. An act for the relief of Dr. A. R. Adams;

S. 1477. An act for the relief of Carl M. Frasure;

S. 1501. An act for the relief of the Rau Motor Sales Co.;

S. 1572. An act for the relief of Frank Robertson;

S. 1605. An act for the relief of Mr. and Mrs. John Borrego; Mr. and Mrs. Joe Silva; the legal guardian of Frank Borrego; the legal guardian of Rueben Silva; and the legal guardian of Rudolph Silva;

S. 1665. An act to relieve certain employees of the Veterans' Administration from financial liability for certain overpayments and allow such credit therefor as is necessary in the accounts of Guy F. Allen, chief disbursing officer;

S. 1709. An act for the relief of Mrs. Clark Gourley, administratrix of the estate of Clark Gourley;

S. 1717. An act for the relief of Luella F. Stewart;

S. 1763. An act for the relief of the Square D Co.;

S. 1766. An act for the relief of C. C. Thornton;

S. 1776. An act for the relief of L. C. Gregory;

S. 1905. An act for the relief of the estate of Walney A. Colvin, deceased;

S. 1983. An act for the relief of Mrs. Anna Runnebaum;

S. 1995. An act for the relief of Fred A. Dimler and Gwendolyn E. Dimler, his wife;

S. 2007. An act for the relief of Lum Jacobs;

S. 2031. An act for the relief of Lt. (T) P. J. Voorhies; and

S. 2069. An act for the relief of Irma S. Sheridan, postmaster at Rockville, Oreg.

The message also announced that the House had passed the bill (S. 1278) for the relief of Yellow Cab Transit Co., with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1471. An act for the relief of Mrs. Eugene W. Randall;

S. 1731. An act for the relief of Helen Halverson; and

S. 1827. An act for the relief of Oliver N. Knight.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearce Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 299. An act for the relief of Hyman L. Schiffer;

H. R. 449. An act for the relief of the Puget Sound Bridge and Dredging Co.;

H. R. 529. An act for the relief of John W. Farrell;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Saievitiz Hurwitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2688. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3373. An act for the relief of Dewey H. Davis;

H. R. 3400. An act for the relief of La Verne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osettel Berberian;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawke;

H. R. 3630. An act for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Drollman;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H.R. 3791. An act for the relief of the estate of Charles Noah Shipp, deceased;  
 H.R. 3814. An act for the relief of M. Senders & Co.;  
 H.R. 3852. An act for the relief of the O. S. Stapley Co.;  
 H.R. 3880. An act for the relief of Mrs. Anna Zukas;  
 H.R. 3881. An act for the relief of Mrs. Anna Chandler;  
 H.R. 3928. An act for the relief of James LeRoy J. Cen;  
 H.R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;  
 H.R. 3995. An act for the relief of Walter Lundmark;  
 H.R. 3996. An act for the relief of F. L. Gause and the legal guardian of Rosalind and Helen Gause, minors;  
 H.R. 4014. An act for the relief of Mrs. Ruby Winsch;  
 H.R. 4016. An act for the relief of John Casey and Marie Casey;  
 H.R. 4036. An act for the relief of John H. Bonney, the legal guardian of Daniel R. Bonney, a minor;  
 H.R. 4038. An act for the relief of Joseph W. Steel;  
 H.R. 4049. An act for the relief of Alfred F. Ross;  
 H.R. 4080. An act for the relief of certain former employees of the United States Court for China;  
 H.R. 4105. An act for the relief of Ira Cannon;  
 H.R. 4111. An act for the relief of Louis Beckham;  
 H.R. 4125. An act for the relief of Kelly Hobbs;  
 H.R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;  
 H.R. 4200. An act for the relief of William Weber;  
 H.R. 4212. An act for the relief of Robert Rowe and Mary Rowe;  
 H.R. 4213. An act for the relief of Karl Lungstrass;  
 H.R. 4248. An act for the relief of the legal guardian of Louis Ciniglio;  
 H.R. 4305. An act for the relief of Henry Clay Walker;  
 H.R. 4309. An act for the relief of Rosa Lee Foreman;  
 H.R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;  
 H.R. 4331. An act for the relief of Mrs. Florence Armstrong;  
 H.R. 4333. An act for the relief of Bertha LeFrancq;  
 H.R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;  
 H.R. 4363. An act for the relief of Ollie Brashear Hearldson;  
 H.R. 4366. An act for the relief of Alex Wylie and the estate of James Evans;  
 H.R. 4367. An act for the relief of Mrs. Julia Toler;  
 H.R. 4380. An act for the relief of Mabelle E. Olive;  
 H.R. 4442. An act for the relief of Albert B. Weaver;  
 H.R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.;  
 H.R. 4481. An act for the relief of William H. Crompton;  
 H.R. 4542. An act for the relief of Harold Miller;  
 H.R. 4549. An act for the relief of Sandy C. Brown;  
 H.R. 4588. An act for the relief of Robert L. Whiddon;  
 H.R. 4593. An act for the relief of Thomas R. Clark;  
 H.R. 4629. An act for the relief of Ludwig Wolf;  
 H.R. 4631. An act for the relief of John L. MacNeill;  
 H.R. 4674. An act for the relief of the estate of Everette Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;

H.R. 4703. An act for the relief of the estate of Annie Brown;  
 H.R. 4736. An act for the relief of Dr. H. L. Klotz;  
 H.R. 4737. An act for the relief of W. A. Smoot, Inc.;  
 H.R. 4786. An act for the relief of the estate of Kimball Loe Beckner;  
 H.R. 4815. An act for the relief of the board of county commissioners of Volusia County, Fla.;  
 H.R. 4817. An act for the relief of Wilfred T. Plant, Sr.;  
 H.R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;  
 H.R. 4921. An act for the relief of Dr. J. Sims Norman;  
 H.R. 4927. An act for the relief of Francis D. Stovall, Jr.;  
 H.R. 4929. An act for the relief of Lt. James H. Clark and Eleanor Clark;  
 H.R. 4962. An act for the relief of Jessie Springsteen and John Springsteen;  
 H.R. 5034. An act for the relief of the estate of Francis A. Collins;  
 H.R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;  
 H.R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor; and  
 H.R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital.

#### CREDENTIALS

Mr. THOMAS of Oklahoma. I submit a certificate of election, and ask that it take the regular course.

The VICE PRESIDENT. The certificate will be read.

The Chief Clerk read as follows:

#### STATE ELECTION BOARD—STATE OF OKLAHOMA— CERTIFICATE OF ELECTION

The State of Oklahoma to whom these presents shall come, greeting:

Know ye, That at a general election held throughout the State of Oklahoma on the 7th day of November A. D. 1944, ELMER THOMAS, the regularly selected and legally qualified candidate for the office of United States Senator on the Democratic ticket, received the highest number of votes cast at said election for said office, as appears from the records of the State election board of said State.

This then is to certify that the said ELMER THOMAS is the regularly and legally elected United States Senator of said State for a term of 6 years, beginning with and from the third day of January A. D. 1945.

In testimony whereof, the State Election Board of the State of Oklahoma has caused this certificate of election to be issued and its official seal to be hereunto affixed on this the 18th day of November A. D. 1944, in the capital of said State.

ELMER HALE,  
Chairman of the State Election  
Board of the State of Oklahoma.

Attest:  
[SEAL]

J. WM. CORDELL,  
Secretary.  
T. J. LUCADO,  
Member.

The VICE PRESIDENT. The credentials will be placed on file.

Mr. BANKHEAD presented the credentials of LISTER HILL, chosen a Senator from the State of Alabama for the term beginning January 3, 1945, which were read and ordered to be filed, as follows:

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November 1944, LISTER HILL was duly chosen

by the qualified electors of the State of Alabama a Senator from said State of Alabama to represent said State in the Senate of the United States for the term of 6 years, beginning on the 3d day of January 1945.

Witness: His Excellency our Governor Chauncey Sparks, of Alabama, and our seal hereto affixed at the capitol, in the city of Montgomery, this November 17, in the year of our Lord 1944.

By the Governor:

CHAUNCEY SPARKS,  
Governor.

Attest:  
[SEAL]

SIBYL POOL,  
Secretary of State.

#### NOTICE OF HEARING ON NOMINATION OF HENRY A. SCHWEINHAUT TO BE ASSOCIATE JUSTICE, DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA

Mr. HATCH. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Wednesday, November 29, 1944, at 10:30 a. m., in the Senate Judiciary Committee room, upon the nomination of Henry A. Schweinhaut, of Maryland, to be an Associate Justice of the District Court of the United States for the District of Columbia, vice Hon. Oscar R. Luhring, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. CHANDLER], and the Senator from North Dakota [Mr. LANGER].

#### COMMITTEE ASSIGNMENTS

Mr. BARKLEY. I ask unanimous consent that the order which I submit in accordance with the instructions of the Democratic steering committee of the Senate be agreed to.

The VICE PRESIDENT. The clerk will read the order.

The Chief Clerk read as follows:

Ordered, That the Senator from Oklahoma [Mr. THOMAS] be excused from further service as chairman of the Committee on Indian Affairs and that he be appointed chairman of the Committee on Agriculture and Forestry;

That the Senator from Wyoming [Mr. O'MAHONEY] be appointed as chairman of the Committee on Indian Affairs; and

That the Senator from Florida [Mr. PEPPER] be appointed as chairman of the Committee on Patents.

The VICE PRESIDENT. Without objection, the order is agreed to.

Mr. BARKLEY. Mr. President, while I am on my feet I wish to announce that no further committee vacancies will be filled until the beginning of the new Congress. These chairmanships are to be filled because of the necessity of having chairmen of the various committees referred to in the order, but no other vacancies on committees will be filled until the next Congress convenes.

I am just reminded of the fact that a new Senator probably may come this week to fill out an unexpired term. I wish to make an exception in any such case as that. What I had reference to was general vacancies on the committees due to the retirement or defeat



of Senators, which will not be filled until the next Congress.

**BIPARTISAN FOREIGN POLICY—ARTICLES BY SENATOR CONNALLY AND SENATOR AUSTIN**

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD at this place an article published in the Post War World by the Commission on a Just and Durable Peace under date of October 16, 1944, entitled "Bipartisan Foreign Policy." A part of the article was written by the distinguished Senator from Texas [Mr. CONNALLY], chairman of the Foreign Relations Committee, and is entitled "World Security Organization," and a part of it was written by myself and is entitled "The First Step—Security."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

**BIPARTISAN FOREIGN POLICY—SENATORS CONNALLY AND AUSTIN COMMENT**

(Senator CONNALLY, chairman of the Foreign Relations Committee of the Senate, and Senator AUSTIN, Republican member of this committee, have been kind enough to write the two following articles specially for Post War World.)

**WORLD SECURITY ORGANIZATION**

(By TOM CONNALLY, United States Senator from Texas)

The Federal Council of Churches, as the representative of its wide membership of moral and intellectual forces, has rendered a service in the cause of peace and will exert a strong influence upon public opinion in support of the preservation of peace. I commend it for its broad and humanitarian program.

On November 5, 1943, the United States Senate, by a vote of 85 to 5, enacted a resolution in which was expressed a desire that the United States participate in an international organization dedicated to the prevention of aggression and the maintenance of peace. The moral and spiritual leadership of the churches can contribute materially toward insuring achievement of this goal.

The imperative tasks of the United States require that the present war be waged to final triumph over all our enemies and that thereafter a just and lasting peace may be secured. Our tasks do not stop there, however. We must look toward the future. We must envisage the danger of another war by aggressors and conquerors. Our duty compels us to lead in the establishment of an international organization embracing the principle of sovereign equality of all peace-loving states and open to membership by such states, large and small, with the avowed and definite purpose of preventing aggression and preserving international peace and security.

In the matter of foreign policy, there should be no partisan politics. Partisanship must not cloud or confuse our national interests. The problem is greater than the fortunes of parties.

Why are our gallant troops dying on the Rhine? Why are our brave sons giving up their lives in the Pacific, in Burma, and in China? It is because after World War No. 1 we failed to create and adhere to effective peace machinery to crush international banditry. We must not fail again. Adequate machinery cannot be maintained by gentle words alone. The international organization must be endowed with power—military and naval power when needed—to suppress international criminals and outlaws.

It is also planned that the international organization shall employ conciliation, arbitra-

tion, and the channels of diplomacy in the settlement of international disputes. It is also provided that an international court shall be maintained for the settlement of justiciable issues between nations. If these peaceful measures are defied, force must be invoked against the lawless and aggressive nation.

The United States has not delayed until the end of the war to begin its preparation for peace. The Dumbarton Oaks Conference is now engaged in the preliminary and tentative draft of the structure of the organization. Its sessions have been fruitful, with a better understanding of the issues involved.

Following Dumbarton Oaks will be a conference of representatives of all of the United Nations at which it is expected the framework and the details of the organization will be drafted for submission to the home governments of the nations participating.

The general plan contemplates an assembly, to be composed initially of members of the United Nations and later of such other peace-loving nations as may be admitted. It is also contemplated that the executive and administrative authority of the international organization will rest in an executive council. Representatives of the four great powers—United States, Russia, Great Britain, and China—would be permanent members of the council. Seven additional members would be elected by the assembly for stated periods of tenure. The council would have general authority to administer the affairs of the international organization and to act in cases of emergency. It would also be its duty to refer to the assembly any matter which it deemed to be appropriate.

There are those who are opposed to any form of international organization. Some may argue that for the United States to join an international organization would constitute an impairment of our sovereignty. This is a specious claim. There is no surrender of sovereignty. On the contrary, there is an exercise of sovereignty. There is an assertion by our Nation of the will and the power to do those things which are for the best interests of our citizens and in a larger fashion in the best interests of the whole world and world peace. That is the very essence of sovereignty. Sovereignty involves the authority of a government to achieve governmental objectives and to exercise its own will and independence. International peace can be achieved only through the action of governments. Individuals cannot do it. The joining in an international agreement in behalf of peace is but the exercise of that governmental power, that governmental will, and that governmental independence which sovereignty suggests.

When we contribute to world peace, we are contributing to the peace of our own country—to the lives of our own people. In World War No. 1, we spent lavishly of our treasure, sacrificed on the battlefield much of the richest blood of the Republic. World War No. 2 has brought stupendous expenditures of our public moneys and has demanded the lives of many thousands of our brave and gallant sons. It has disturbed our domestic economy and has involved sacrifices by our citizens. In striving for the peace of the world, we are striving for our own peace, for our own security, for our own safety, for our own freedom from having to waste our treasure and spill our blood.

If we are to secure the maintenance of world peace, we must be willing to pay the price. That price is our cooperation with other nations of a similar mind. We must unite. We must be willing to assume our share in the obligations which unity requires. Peace machinery will grow and develop in the light of experience and the necessities of the times. However, we must begin. We must establish such machinery.

It is my hope that without partisan division, that without political passion, the

United States may assume world leadership in the erection of peace machinery. Destiny is calling us. We must answer that fateful call.

**THE FIRST STEP—SECURITY**

(By WARREN R. AUSTIN, United States Senator from Vermont)

"A just and durable peace," founded upon principles such as those published by the Commission on a just and durable peace instituted by the Federal Council of the Churches of Christ in America, is attainable. I have no reason to believe that it can be established in negotiations resulting in a single treaty of peace. Sustained, prayerful, and faithful effort of the people is necessary for its attainment. The foundation must be laid in a condition of freedom from fear of aggression by military force. In this atmosphere the opportunity will be afforded humanity to devote its energy and service to the erection of that temple which is to be supported by the six pillars of peace.

The Dumbarton Oaks Conference is specifically concerned with the establishment of an international organization devoted primarily to security. The new characteristic sought to be vitalized in this organization is the authority to be exercised by society in maintaining order. This is a change from dependence upon unilateral action by each nation to defend its rights. It must be clear to everyone that a disturbance of the peace anywhere in the world threatens the peace of every nation. Therefore, collective action of nations should supplant action by the immediate victim of aggression. Promptness in discovering and conciliating or suppressing causes of war is essential.

A clear understanding of the singleness of purpose of the first treaty would facilitate its ratification by the Senate. That purpose is security. Issues raised against it resulting from misconceptions are not causes for delaying or defeating it. For instance, the claim that the President would be empowered to declare war through the executive council of the general international organization is not involved in the plans for this treaty.

Each country will have to decide for itself what functions and powers its delegate will have. Only Congress can, for the United States, create the office, grant its powers, and appropriate its revenues. The limitation that only Congress can declare war will circumscribe the statutory commission to our delegate. Congress will have the opportunity, separate from consideration of the treaty, to define the acts which the delegate may perform without asking Congress for instructions.

A natural concept of this new office is that it will be created within the executive department, in which exclusive jurisdiction over international transactions short of war, or making of treaties, is vested. Customary governmental procedure suggests statutory provision for constant collaboration between the President and the delegate.

No attempt to grant the power to declare war would be made. The power to vote for the direction of sanctions, including military force, would not be the power to commit an act of war. It would be to commit an act of peace. It would be based upon a treaty right providing for security. It would be defensive, interposing sufficient force, of whatever kind determined upon, to prevent war.

If all peace-loving nations should join the organization, each one would have consented to the direction against itself of the sanctions in case of violation of the basic treaty. The most probable guaranties of security through this organization are—1. Supremacy of the law over nations; 2. Disqualification to vote of a member charged with violating the law; 3. Certainty and promptness of the interposition of military forces; 4. Insurance

against the possibility that sanctions might not be applied, or that they might be applied "too little" or "too late."

We envisage a separate treaty imposed on vanquished Germany and Japan rendering them incapable of arming for aggression or making war. If they should later qualify to become members on the principles of the basic treaty, they, too, by joining, would consent to the provisions for security.

There is under contemplation provision for a special majority to be required for a decision of the Executive Council. Its use would safeguard vital interests of states. Smaller states would have a veto through collective voting. Each larger state would have a veto.

Cooperation is the spirit of the organization. We must assume that cooperation would persist. If we should assume that unilateral action would be employed, as occurred following the League of Nations Covenant, the Kellogg-Briand Treaty, and the Treaty of Locarno, we would face failure of the effort at peace. We must not fall this time. Civilization is at stake.

We emphasize the moral peace forces, such as are characterized in the six pillars of peace. Reason, as well as experience, has persuaded us that the real gains in this World War must include spiritual development of whole peoples to a level where their struggle for security and peace will stimulate rather than weary them.

Experiences under declarations by the Triple Alliance, the Holy Alliance, the League of Nations, the Kellogg-Briand Pact, and the Treaty of Locarno, have revealed the inadequacy of mere words. They all declare the spiritual basis of peace, but they have all failed in practice. The peoples of the states which made these declarations were not yet determined to pay that part of the cost of peace which consists in self-discipline and sacrifice. This we must develop if we are to have security and peace.

For the time being, we believe that the frailty of our international character requires that we set up an independent organization with the power to interpose military forces to prevent or repel military aggression anywhere on earth. This ought to be done before Germany surrenders. There must be visible absolute authority, ultimately expressed in military power, to enforce the law.

The paramount consideration of the moment is a clear understanding of the nature of our present effort. Collateral and premature issues might postpone or even prevent our first step toward peace. The question of specific authority of our delegate, the question of earmarking particular branches of the armed service, the question of what shall be done with Germany after her unconditional surrender—these and similar questions related to the peace—are not raised by the consideration of a treaty for a security organization. They will be taken up in their proper order separate from the consideration of the single question now before the world: Security.

Such organizations as the Commission on a Just and Durable Peace will serve the cause by clarifying the immediate undertaking in the minds of their members, and their correspondents.

In closing may I say: The forces of evil have thrown before Christendom a mighty challenge. Our generation has the great privilege and opportunity to meet this challenge through consecration to righteous practices, as well as precepts, in world affairs; through a more spiritual concept of the relations of men and nations.

#### PROTEST AGAINST ANGLO-AMERICAN OIL TREATY

Mr. CAPPER. Mr. President, I have received a letter from Mr. O. E. Setter, president of the Wolf Creek Oil Co., of

Wichita, Kans., protesting against approval of the Anglo-American Oil Treaty, which I believe states a position with which the Senate should be acquainted. Therefore I ask unanimous consent to print in the Record at this point, a copy of the letter.

There being no objection, the letter was ordered to be printed in the Record, as follows:

WICHITA, KANS., October 31, 1944.  
Hon. ARTHUR CAPPER,  
United States Senator,  
Washington, D. C.

DEAR SIR: The independent oil man is very much concerned over the apparent attitude of the Federal Government to spend our tax money for the development of oil resources in foreign lands which would be in direct competition with the production of domestic oil and which would be done with at least a part of the tax money which we pay annually to our Government. Besides this angle, there are a big majority of us as private citizens feel that if our Government expands its individual operations in the foreign countries, we are asking for trouble from several different angles.

It is our opinion that we not only speak for ourselves but practically for everyone that is directly or indirectly connected with the oil industry when we send in our protest against our country entering into foreign oil business as is proposed under the Anglo-American Oil Treaty, as we understand it.

Yours very truly,

THE WOLF CREEK OIL CO.,  
By O. E. SETTER, President.

#### SOCIAL-SECURITY TAXES

Mr. VANDENBERG. Mr. President, I made a broadcast last evening over the Columbia network respecting the problem of social-security taxes, presenting what I believe to be an unassailable argument in favor of immediate action by Congress to prevent the needless doubling of these taxes next January. I shall presently ask that the broadcast be printed in the Record. I desire particularly, however, to call attention to those portions of the address which dispel widespread misunderstandings regarding the scope of the action I propose. I wish to make it plain that this proposed action has nothing to do with the question of expanded social-security coverage or with the question of expanded benefits. It deals only with the pay-roll taxes that shall be collected to pay for existing benefits. Furthermore, it has nothing to do with unemployment benefits or any of the other notable features of social security, all of which are otherwise financed.

The sole question is, What 48,000,000 workers and 2,000,000 employers shall pay for existing old-age benefits. Let me illustrate with figures from my own State of Michigan. If my proposal is not adopted and this tax doubles on New Year's, it will add approximately \$100,000,000 next year and every year thereafter to the pay-roll taxes in Michigan alone. Half of this will come from workers. It will needlessly take an additional \$50,000,000 out of the pay envelopes of Michigan workers next year. Yet, no worker will get one single penny of added benefits as a result. He will simply continue to be entitled to existing benefits which do not require this

added tax. It will be time to increase the tax when the benefits increase or when the existing system hereafter requires it.

Still using Michigan as an example, the successful effort, which I have had the honor of leading, during the last 3 years, has saved Michigan workers and employers about \$250,000,000 in pay-roll taxes which they would have otherwise had to pay. It has saved the workers at least \$125,000,000 in direct pay-roll deductions during this period. Yet no worker has lost a penny's benefits as a result. I want the workers, as well as the employers, to know what is going on.

Mr. President, I ask unanimous consent that my broadcast of last evening be printed at this point in the Record.

There being no objection, the broadcast was ordered to be printed in the Record, as follows:

I am indebted to the Columbia Broadcasting System for this opportunity to discuss social-security pay-roll taxes. It is not an exciting subject, but it intimately involves 48,000,000 workers and their 2,000,000 employers. I shall seek to reduce to simplest terms the present congressional controversy respecting it.

Under the social-security law, "old-age insurance" is supported by pay-roll taxes levied equally upon workers and employers. This tax is now 2 percent of each worker's wage—1 percent paid by the worker—1 percent paid by the employer. The existing statute requires a 100-percent increase in this tax next New Year—2 percent on the worker, 2 percent on the employer. Each thus confronts a doubling of this tax next January unless Congress intervenes. On 3 previous annual occasions I have led a battle to stop the 100-percent raise. In each instance, the President and the Social Security Board have unsuccessfully opposed the "freeze." As a result, these 48,000,000 workers and their 2,000,000 employers have been saved nearly \$3,000,000,000.

This question now recurs, Shall this tax be doubled next January? If Congress does nothing, the tax will automatically double. I propose another "freeze" at existing levels for 1945.

This poses an obvious inquiry. Does the payment of existing old-age benefits require this doubled tax? I submit that the social-security balance sheet denies any such need for years to come. The pay-roll taxes for this exclusive purpose, during the past year, at present tax rates, were \$1,300,000,000. The payments were only \$185,000,000. The tax collections, at existing rates, were seven times the benefits. The income was seven times the outgo. In addition the fund collected \$103,000,000 on investments. Therefore, so far as present payments are concerned—or obligations for many years to come—there is no excuse for doubling this tax next January.

But this, of course, is far from the whole story. This old-age fund must build up reserves for the future when its obligations progressively accumulate. Thus we reach the crux of this controversy. How much should today's workers, and their employers, pay to pile up reserves for these future contingencies—20 or 30 or 50 years away?

Now, I inject a bit of essential history. When this system started in 1935, it was planned, though never completely, on the actuarial basis of a so-called full reserve, like any private insurance company. But in 1939, after an expert study, it was decided that a public, tax-supported insurance system does not require any such full reserve, as does a private insurance company, because the whole credit of the Nation is its unavoidable reserve. Congress thereupon deliber-



ately substituted a so-called contingent reserve to care only for extraordinary hazards.

Now, we reach the core of the problem. How big should this contingent reserve be to protect the full solvency of the fund? Secretary of the Treasury Morgenthau gave the official answer before the House Ways and Means Committee on March 24, 1939:

"Specifically, I would suggest to Congress that it plan the financing of the old-age insurance system with a view to maintaining for use in contingencies an eventual reserve amounting to not more than three times the highest prospective annual benefits in the ensuing 5 years."

There's the rule. Congress wrote it, as a criterion, into the Social Security Act. There it stands tonight.

Now, let's apply the rule to present social-security arithmetic. The old-age reserve last June 30 was \$5,450,000,000. The highest expenditure in the next 5 years is between \$450,000,000 and \$700,000,000. Therefore, the existing reserve is from 8 to 12 times this highest expenditure—instead of only three. Hence, the status of the reserve does not justify a doubling of these pay-roll taxes next January. Indeed, the tax collections at present rates are equal to the revenue anticipated from the doubled rates when the Social Security Act was written.

Since the doubled tax next January is unnecessary for insurance payments (for many years to come) or for reserves, I submit that these taxes should not be doubled, and that Congress should act to prevent them from doubling. I submit, further, that 1945 is a poor year in which to inflict avoidable taxes on our people. We have just finished a political campaign in which both major parties and both candidates for President promised lower taxes on business as a prerequisite to the full release of private enterprise as our reliance against unemployment in the reconversion crisis. It would be a curious anomaly if, instead, we immediately double these pay-roll taxes—in the absence of necessity. Both parties also said that we must sustain the mass buying power of the workers. It would be an equally curious anomaly if, instead, we deliberately diminish mass buying power by doubling these taxes on 48,000,000 workers—in the absence of necessity. Still further, both parties dedicated their heartfelt sympathies to so-called small business and our hapless white-collar workers. This doubled tax next January would most severely burden these so-recent beneficiaries of anxiety in high places.

I recognize that the able members of the Social Security Board are on firm ground when they argue that we must at all times impress the workers, through their pay-roll taxes, that this is a contributory old-age insurance system and not a public subsidy. I also recognize the consistency of those who say that the so-called Morgenthau rule is wrong, and that this system of contingent reserves—which is essentially a pay-as-we-go system—may put too high a share of old-age costs upon the general tax rolls in 1970 or 1990 or thereafter. I emphatically agree that we should rid the social-security statute itself of its present contradictions—arbitrary pay-roll tax increases, on the one hand, and the Morgenthau rule, which denies the necessity for these increases, on the other. By the way, these arbitrary increases will go to 3 percent on workers and 3 percent on employers in 1948, unless changed. But I have met all of these anxieties by also proposing, in my pending freezing measure, that during 1945 the Joint Congressional Committee on Internal Revenue shall reexplore the whole subject, with the aid of another advisory committee of experts, and report to us a permanent tax formula to settle this vexatious question for keeps. I submit that this rounds out a safe and

equitable program—fair to Social Security, to the country, to 48,000,000 workers, and their 2,000,000 employers.

I recognize no validity, however, in the argument that these pay-roll taxes should now be doubled because the General Treasury needs the money and that this is a painless way to get it. You see, this is what happens to these pay-roll taxes. They do not go directly into the social security fund. They go straight into the General Treasury where they are disbursed to pay the general expenses of the Government. Then the Treasury issues comparable Government bonds to the social security trustees. The Treasury gets the money. Social Security gets the bonds. Social Security collects the interest on the bonds. But if it ever needs the principal, the bonds must be resold to the public. I'll admit that this system gives the Treasury a steady outlet for bonds; and I deeply sympathize with the stupendous problem the Treasury confronts to find outlets for bonds. But this has nothing whatever to do with social security; and I shall always take the unsundering position that social-security taxes and reserves are supremely a public trust and that never, for any purpose, no matter how worthy, can they rightly be used for anything except social security.

In conclusion, I want to discuss some of the amazing misconceptions regarding this problem.

First. This pay-roll tax question has absolutely nothing to do with the expansion of social-security coverage or old-age benefits. I favor broad expansion of coverage and an equitable increase in benefits, particularly in the lower brackets. If and when this occurs pay-roll taxes must increase in proportion. That's something else. This problem today is solely what pay-roll taxes shall be paid for today's benefits. If the tax doubles in January, no worker will get a penny's additional benefit. Yet I have been pilloried, in this fight, as opposing better and broader social security. Instead, I am simply opposing doubled taxes on 48,000,000 workers, and their employers, to pay for existing benefits.

Second. These pay-roll taxes deal only with old-age insurance. They have absolutely nothing to do with other parts of the Social Security System. Yet I have been attacked, for example, by a St. Louis newspaper for thus interfering with unemployment benefits during reconversion; and by a Toledo newspaper for stunting all the social-security services to the blind, to crippled children, to maternal care, etc. Such inaccuracies are fantastic. These pay-roll taxes have nothing to do with any of these other services, all of which are otherwise financed.

The present controversy deals solely with the reserves which sound public policy requires for old-age insurance. I have submitted this problem to Congress on three previous annual occasions and Congress has agreed with me. I am now submitting it again, in behalf of 48,000,000 workers and their 2,000,000 employers. On the record, I submit that there is no justification for a 100-percent increase in these pay-roll taxes in 1945—an increase which would take another billion and a quarter dollars out of these pay rolls next year. Social security does not require it, and the national economy denies its wisdom.

#### ST. LAWRENCE SEAWAY—ATTITUDE OF RAILROADS

Mr. AIKEN. Mr. President, I assume I am in order in presenting a matter for the Record.

In view of the fact that it is frequently reported that the railroads of the country are hostile to the St. Lawrence seaway project, I should like to read into the Record an article from the Wall Street

Journal of November 15, 1944. The article is as follows:

The Rutland Railroad will petition the Vermont district court for an extension of time in which to file a plan of reorganization now due to be filed by December 6, it was reported from Washington.

Prospective developments affecting the road's traffic and earnings including the possibility that Congress will approve the St. Lawrence seaway project which is parallel the Rutland-Ogdensburg branch will be cited as reasons for the delay. The construction of the seaway project would have a highly beneficial effect on the road's traffic volume, it was said.

As I have stated, Mr. President, this is an article from the Wall Street Journal relating to a petition by the Rutland Railroad, of Vermont, for an extension of time in which to file a plan of reorganization. The Rutland Railroad parallels the St. Lawrence seaway, and it is asking for an extension of time because if the seaway is constructed the position of the railroad will be materially improved.

I think the same condition prevails in regard to the New York Central Railroad; not that they have petitioned for the seaway, or anything like that, but they also parallel it, and would be benefited by the increased volume of business which would result from the completion of the St. Lawrence development.

I submit this matter merely to show that the railroads are far from being united in opposing the seaway. A great many of the western railroads are known to favor it, and individual directors and officers of the railroads throughout the eastern part of the United States are actually working for the project, knowing that what benefits the country as a whole and what increases their tonnage as a whole is bound to help them.

#### YELLOW CAB TRANSIT CO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1278) for the relief of Yellow Cab Transit Co., which were on page 1, line 6, to strike out all after "\$2,267.98" over to and including "1941" in line 2 of page 2 and insert "and to Equitable Fire & Marine Insurance Co., of Oklahoma City, Okla., the sum of \$7,901.83. Payment of such sums shall be in full settlement of all claims against the United States for the loss of tractor No. 387, semitrailer No. 338 and cargo carried therein resulting from a collision with a United States Army truck on United States Highway No. 66, near Hazelgreen, Mo., on August 10, 1941" and to amend the title so as to read: "An act for the relief of Yellow Cab Transit Co. and Equitable Fire & Marine Insurance Co."

Mr. THOMAS of Oklahoma. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

#### PROHIBITION OF LIQUOR TRAFFIC DURING THE WAR—MEMORIALS FROM WISCONSIN

Mr. LA FOLLETTE. Mr. President, on January 20, 1944, I presented memorials

from citizens of Wisconsin remonstrating against the enactment of any prohibition legislation. At the time the memorials were presented I neglected to state the approximate number of signatures, and have been requested to insert the number in the RECORD. The approximate number of persons signing the memorials was 2,838. These memorials were referred to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'DANIEL, from the Committee on Claims:

H. R. 1318. A bill for the relief of Jack V. Dyer; without amendment (Rept. No. 1158);  
H. R. 1665. A bill for the relief of Joseph Paste, Anna Paste, Rose Paste, and to the legal guardian of Doris Paste, and to the legal guardian of Evelyn Paste; without amendment (Rept. No. 1159);

H. R. 2512. A bill for the relief of Betty Robins; without amendment (Rept. No. 1160);

H. R. 3495. A bill for the relief of Constantino Arguelles; without amendment (Rept. No. 1161); and

H. R. 4226. A bill for the relief of the legal guardian of William L. Owen, a minor; without amendment (Rept. No. 1162).

By Mr. WHERRY, from the Committee on Claims:

S. 1958. A bill for the relief of Fire District No. 1 of the town of Colchester, Vt.; without amendment (Rept. No. 1163);

S. 2064. A bill for the relief of Richard H. Beall; with an amendment (Rept. No. 1179);

S. 2098. A bill for the relief of Lt. James H. Clark and Eleanor Clark; without amendment (Rept. No. 1180); and

H. R. 2601. A bill for the relief of Mrs. Flossie Leaser; without amendment (Rept. No. 1181).

By Mr. ELLENDER, from the Committee on Claims:

S. 1756. A bill for the relief of William Luther Thaxton, Jr., and William Luther Thaxton, Sr.; with amendments (Rept. No. 1182);

S. 1960. A bill for the relief of Clifford E. Long and Laura C. Long; with amendments (Rept. No. 1164);

S. 1968. A bill for the relief of Elizabeth A. Becker; with an amendment (Rept. No. 1165);

S. 1993. A bill for the relief of the estates of Joseph B. Gowen and Ruth V. Gowen; with amendments (Rept. No. 1183);

S. 2006. A bill for the relief of J. A. Davis; with an amendment (Rept. No. 1184);

S. 2142. A bill for the relief of London A. Long; with an amendment (Rept. No. 1185);

S. 2168. A bill for the relief of certain disbursing officers of the Army of the United States, and for other purposes; without amendment (Rept. No. 1186);

H. R. 262. A bill for the relief of Mrs. J. C. Romberg; without amendment (Rept. No. 1166);

H. R. 1919. A bill for the relief of Vannie Butler; without amendment (Rept. No. 1167);

H. R. 2896. A bill for the relief of Mr. and Mrs. R. L. Rhodes; without amendment (Rept. No. 1168);

H. R. 3548. A bill for the relief of Mr. and Mrs. Robert W. Nelson and W. E. Nelson; without amendment (Rept. No. 1169);

H. R. 3608. A bill relating to certain overtime compensation of civilian employees of the United States; without amendment (Rept. No. 1187);

H. R. 3753. A bill for the relief of the legal guardian of Virginia McMillan, a minor, and Howard McMillan; without amendment (Rept. No. 1170);

H. R. 4024. A bill for the relief of Victoria Cormier; without amendment (Rept. No. 1171); and

H. R. 4439. A bill for the relief of Dennis C. O'Connell; without amendment (Rept. No. 1172).

By Mr. HATCH (for Mr. EASTLAND), from the Committee on the Judiciary:

S. 1747. A bill to further define the number and duties of criers and bailiffs in United States courts and regulate their compensation; with amendments (Rept. No. 1173); and

S. 1962. A bill extending the provisions of Public Law 47, Seventy-seventh Congress, as amended, to reemployment committeemen of the Selective Service System; without amendment (Rept. No. 1174).

By Mr. HATCH, from the Committee on Public Lands and Surveys:

S. 1819. A bill to repeal the acts of August 15, 1935, and January 29, 1940, relating to the establishment of the Patrick Henry National Monument and the acquisition of the estate of Patrick Henry, in Charlotte County, Va.; without amendment (Rept. No. 1175);

S. 1902. A bill to repeal the third proviso of section 2 of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437, 438; 30 U. S. C., sec. 201); without amendment (Rept. No. 1176); and

H. R. 837. A bill to restore and add certain public lands to the Uintah and Ouray Reservation in Utah, and for other purposes; with amendments (Rept. No. 1188).

By Mr. NYE, from the Committee on Public Lands and Surveys:

S. 209. A bill authorizing the conveyance of certain property to the State of North Dakota; with an amendment (Rept. No. 1177); and

H. R. 4917. A bill conferring upon the State of Montana authority to exchange for other lands certain lands selected by the State of Montana for the use of the University of Montana for biological station purposes pursuant to the act of March 3, 1905 (33 Stat. 1080); with an amendment (Rept. No. 1178).

#### REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. BARKLEY, from the Joint Select Committee on the Disposition of Executive Papers, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon pursuant to law.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

S. 2196. A bill for the relief of Angelo Anthony Scavo; to the Committee on Naval Affairs.

S. 2197. A bill granting an increase of pension to Jennie Eaton Ainsworth; to the Committee on Pensions.

#### HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated:

H. R. 195. An act for the relief of Gladys A. Ennis as executrix of the estate of George Pearse Ennis, deceased, and Oscar H. Julius; and the Excelsior Automotive Service, Inc.;

H. R. 299. An act for the relief of Hyman L. Schiffer;

H. R. 449. An act for the relief of the Puget Sound Bridge & Dredging Co.;

H. R. 529. An act for the relief of John W. Farrell;

H. R. 545. An act for the relief of G. F. Odom;

H. R. 763. An act for the relief of Lindsey Harcrow;

H. R. 1218. An act for the relief of F. L. Riddle;

H. R. 1556. An act for the relief of Archie Barwick;

H. R. 1772. An act for the relief of Henry Stovall;

H. R. 2150. An act for the relief of Diemer Adison Coulter and Frances Andrews Coulter;

H. R. 2213. An act for the relief of Mrs. Agnes Wolters;

H. R. 2300. An act for the relief of Rose B. Luzar;

H. R. 2354. An act for the relief of the estate of Mrs. Phoebe Sherman, and for Mrs. Harriett W. Vanderhoef and Allan Vanderhoef;

H. R. 2373. An act for the relief of Pearl Salevitz Hurwitz and Ruth Levin;

H. R. 2543. An act for the relief of Mrs. Nelle Jones;

H. R. 2638. An act for the relief of Clarence H. Miles, Mrs. Mollie Miles, and Hardy Miles, a minor;

H. R. 2827. An act for the relief of the estate of Ida M. Rutherford;

H. R. 3017. An act for the relief of Hubert McMahon and the legal guardian of Barbara McMahon;

H. R. 3138. An act for the relief of Mrs. Bertha Macklin;

H. R. 3191. An act for the relief of Lillian Hill;

H. R. 3192. An act for the relief of Mrs. Bertha Grantham;

H. R. 3218. An act for the relief of Enid M. Albertson;

H. R. 3279. An act for the relief of Clarence G. Doelling and Doris J. (McNeil) Doelling;

H. R. 3285. An act for the relief of Mrs. Rose Poisson;

H. R. 3302. An act for the relief of Eleanor Parkinson;

H. R. 3323. An act for the relief of Mrs. William M. Watson and R. H. Price;

H. R. 3369. An act for the relief of Harry V. Hearn;

H. R. 3400. An act for the relief of LaVerne Whipple;

H. R. 3414. An act for the relief of Edward C. Robbins;

H. R. 3465. An act for the relief of Archie Berberian, Kurken Berberian, and Mrs. Osgel Berberian;

H. R. 3484. An act for the relief of Mrs. Pearl W. Peterson;

H. R. 3584. An act for the relief of Elsie Hawk;

H. R. 3630. An act for the relief of Peter Paul Bacic, Charles C. Cox, H. Forest Haugh, and Luther M. Durst;

H. R. 3645. An act for the relief of Mary Agnes Lichtefeld Droppelman;

H. R. 3678. An act for the relief of Floyd E. and Lena Mae Drummond;

H. R. 3727. An act for the relief of the legal guardian of Violet DeGroot;

H. R. 3814. An act for the relief of M. Senders & Co.;

H. R. 3852. An act for the relief of the O. S. Stapley Co.;

H. R. 3880. An act for the relief of Mrs. Anna Zukas;

H. R. 3881. An act for the relief of Mrs. Anna Chandler;

H. R. 3923. An act for the relief of James LeRoy Eden;

H. R. 3931. An act for the relief of the estate of Dr. A. D. Gibson;

H. R. 3995. An act for the relief of Walter Lundmark;

H. R. 3996. An act for the relief of F. L. Gause and the legal guardian of Rosalind and Helen Gause, minors;



H. R. 4014. An act for the relief of Mrs. Ruby Wunsch;  
 H. R. 4016. An act for the relief of John Casey and Marie Casey;  
 H. R. 4036. An act for the relief of John H. Bonney, the legal guardian of Daniel R. Bonney, a minor;  
 H. R. 4038. An act for the relief of Joseph W. Steel;  
 H. R. 4049. An act for the relief of Alfred F. Ross;  
 H. R. 4080. An act for the relief of certain former employees of the United States Court for China;  
 H. R. 4105. An act for the relief of Ira Cannon;  
 H. R. 4111. An act for the relief of Louis Beckham;  
 H. R. 4125. An act for the relief of Kelly Hobbs;  
 H. R. 4144. An act for the relief of Brig. Gen. Louis J. Fortier;  
 H. R. 4200. An act for the relief of William Weber;  
 H. R. 4212. An act for the relief of Robert Rowe and Mary Rowe;  
 H. R. 4213. An act for the relief of Karl Lungstrass;  
 H. R. 4248. An act for the relief of the legal guardian of Louis Ciniglio;  
 H. R. 4305. An act for the relief of Henry Clay Walker;  
 H. R. 4309. An act for the relief of Rosa Lee Foreman;  
 H. R. 4322. An act for the relief of the estate of Floyd M. Adair, deceased;  
 H. R. 4331. An act for the relief of Mrs. Florence Armstrong;  
 H. R. 4333. An act for the relief of Bertha LeFrancq;  
 H. R. 4345. An act for the relief of the legal guardian of Luther Marcus Smith, a minor;  
 H. R. 4363. An act for the relief of Ollie Brashhear Heardson;  
 H. R. 4366. An act for the relief of Alex Wylie, and the estate of James Evans;  
 H. R. 4367. An act for the relief of Mrs. Julia Toler;  
 H. R. 4380. An act for the relief of Mabelle E. Olive;  
 H. R. 4442. An act for the relief of Albert B. Weaver;  
 H. R. 4451. An act for the relief of John McLaughlin, Sr., and John McLaughlin, Jr.  
 H. R. 4481. An act for the relief of William H. Crompton;  
 H. R. 4542. An act for the relief of Harold Miller;  
 H. R. 4549. An act for the relief of Sandy C. Brown;  
 H. R. 4588. An act for the relief of Robert L. Whiddon;  
 H. R. 4593. An act for the relief of Thomas R. Clark;  
 H. R. 4629. An act for the relief of Ludwig Wolf;  
 H. R. 4631. An act for the relief of John L. MacNeil;  
 H. R. 4674. An act for the relief of the estate of Everett Maxwell; the estate of Redman P. Maddux; and the legal guardian of Elmer Massa, a minor;  
 H. R. 4703. An act for the relief of the estate of Annie Brown;  
 H. R. 4736. An act for the relief of Dr. H. L. Klotz;  
 H. R. 4786. An act for the relief of the estate of Kimball Lee Beckner;  
 H. R. 4815. An act for the relief of the Board of County Commissioners of Volusia County, Fla.;  
 H. R. 4817. An act for the relief of Wilfred T. Plant, Sr.;  
 H. R. 4878. An act for the relief of the estate of Emma B. Fleet, deceased;  
 H. R. 4921. An act for the relief of Dr. J. Sims Norman;  
 H. R. 4927. An act for the relief of Francis D. Stovall, Jr.;  
 H. R. 4929. An act for the relief of Lt. James H. Clark and Eleanor Clark;

H. R. 4932. An act for the relief of Jessie Springsteen and John Springsteen;  
 H. R. 5034. An act for the relief of the estate of Francis A. Collins;  
 H. R. 5048. An act for the relief of the estate of Cecile H. Burgett, deceased;  
 H. R. 5060. An act for the relief of Clyde H. Palmer; estate of Lola J. Palmer; legal guardian of Margie Joan Palmer, a minor; and  
 H. R. 5167. An act to confer jurisdiction upon the United States District Court for the Eastern District of South Carolina to hear, determine, and render judgment upon the claim of the board of trustees of the Saunders Memorial Hospital; to the Committee on Claims.  
 H. R. 4737. An act for the relief of W. A. Smoot, Inc.; ordered to be placed on the calendar.

#### RIVER AND HARBOR IMPROVEMENTS—AMENDMENTS

Mr. RADCLIFFE submitted three amendments intended to be proposed by him to the bill (H. R. 3961) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, which were ordered to lie on the table and to be printed.

#### FLOOD CONTROL PROJECTS—AMENDMENTS

Mr. LANGER submitted two amendments intended to be proposed by him to the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. MURRAY (for himself and Mr. LANGER) submitted an amendment intended to be proposed by them jointly, to House bill 4485, supra, which was ordered to lie on the table and to be printed.

Mr. GURNEY (for Mr. BRIDGES) submitted an amendment intended to be proposed by Mr. BRIDGES to House bill 4485, supra, which was ordered to lie on the table and to be printed.

#### THE DEVELOPMENT OF FOREIGN COMMERCE—ADDRESS BY HON. JAMES A. FARLEY

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address regarding domestic trade and foreign commerce, delivered by Hon. James A. Farley at the third general session of the Thirty-First National Foreign Trade Convention, in New York, October 11, 1944, which appears in the Appendix.]

#### MISSOURI VALLEY AUTHORITY—STATEMENT BY JAMES G. PATTON

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a statement regarding the development of the Missouri Valley, issued by James G. Patton, president of the National Farmers Union, which appears in the Appendix.]

#### DEVELOPMENT OF THE MISSOURI RIVER BASIN—ADDRESS BY JONATHAN W. DANIELS

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address on the subject of the development of the Missouri River Basin by Jonathan W. Daniels, which will appear hereafter in the Appendix.]

#### IT IS FOR US, THE LIVING—ADDRESS BY JOHN W. FESLER

[Mr. WILLIS asked and obtained leave to have printed in the RECORD an address entitled "It Is for Us, the Living," by John W. Fesler, at the annual observance of dedi-

cation day by the Indiana Commandery of the Military Order of the Loyal Legion, at Foster Hall, Indianapolis, Ind., November 19, 1944, which appears in the Appendix.]

#### TREATY OR AGREEMENT?—EDITORIAL FROM THE WASHINGTON POST

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial from the Washington Post, entitled "Treaty or Agreement?" which appears in the Appendix.]

#### THE NAVY'S WAR ACCOUNT

[Mr. MEAD asked and obtained leave to have printed in the RECORD a pamphlet entitled "The Navy's War Account," which appears in the Appendix.]

#### FLOOD-CONTROL PROJECTS

The Senate resumed the consideration of the bill (H. R. 4485) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes.

The VICE PRESIDENT. The pending question carried over from yesterday is on agreeing to the amendment proposed by the senior Senator from Kentucky [Mr. BARKLEY] inserting in the committee amendment on page 1, line 5, after the word "improvements," the words "provided for in this act." [Putting the question.] The vote seems to be a tie.

Mr. BARKLEY. I ask for 2 division. There are more than two Senators in the Chamber, and I hope Senators will vote.

The VICE PRESIDENT. Those in favor of the amendment offered by the Senator from Kentucky will rise.

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	George	O'Daniel
Austin	Gerry	O'Mahoney
Billiey	Gillette	Overton
Ball	Green	Pepper
Bankhead	Guffey	Radcliffe
Barkley	Gurney	Revercomb
Bilbo	Hatch	Reynolds
Brewster	Hayden	Robertson
Brooks	Hill	Russell
Buck	Jenner	Shipstead
Burton	Johnson, Calif.	Taft
Bushfield	Johnson, Colo.	Thomas, Idaho
Butler	Kilgore	Thomas, Okla.
Byrd	La Follette	Tunnell
Capper	Langer	Tydings
Caraway	Lucas	Vandenberg
Chandler	McClellan	Walsh, Mass.
Clark, Idaho	McFarland	Walsh, N. J.
Clark, Mo.	McKellar	Weeks
Connally	Maloney	Wheeler
Cordon	Maybank	Wherry
Davis	Mead	White
Downey	Millikin	Wiley
Ellender	Murray	Willis
Ferguson	Nye	

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Tennessee [Mr. STEWART] are absent because of illness in their families.

The Senators from Nevada [Mr. McCARRAN and Mr. SCRUGHAM] and the Senator from Utah [Mr. MURDOCK] are detained on official business for the Senate.

The Senator from Florida [Mr. ANDREWS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Utah

[Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from New York [Mr. WAGNER] and the Senator from Washington [Mr. WALLGREN] are necessarily absent.

Mr. WHERRY. The following Senators are necessarily absent:

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. HAWKES], the Senator from Oklahoma [Mr. MOORE], the Senator from Kansas [Mr. REED], and the Senator from Iowa [Mr. WILSON].

The Senator from Oregon [Mr. HOLMAN] is absent because of illness in his family.

The Senator from Connecticut [Mr. DANAHY] is absent on important public business.

Mr. WHITE. I desire to announce that the Senator from New Hampshire [Mr. TOBEY] is necessarily absent because of illness.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

A division has been requested on the amendment of the Senator from Kentucky [Mr. BARKLEY] to the committee amendment on page 1.

Mr. BARKLEY. Mr. President, if I may be permitted to, I should like to make a brief explanation. The pending amendment is the one I offered yesterday, to which no objection was made by the Senator from Louisiana [Mr. OVERTON] in charge of the bill. My amendment simply limits the declaration of policy to the projects carried in this bill, and does not attempt to project the declaration of policy over into the future. I hope the amendment will be agreed to. We debated at some length in the Senate yesterday whether this Congress or any Congress had the power to bind another Congress, and, of course, we all agreed that one Congress cannot bind another Congress; but I felt that, in order that no one should receive the impression that we were trying to bind future Congresses, the amendment should be adopted limiting this declaration of policy to the projects set out in the pending bill. It is my understanding that the Senator from Louisiana does not object to that amendment.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. VANDENBERG. It seemed to me in the first instance that the amendment was quite needless and futile, but inasmuch as it has been offered, if it were now rejected, the impression might be created that we were trying to extend our jurisdiction further than we have power to do.

Mr. BARKLEY. Yes; that is true. All I am trying to do by my amendment is to prevent the impression from being created that we are trying to place another Congress under the moral obligation to extend a policy, which is something we cannot do.

The VICE PRESIDENT. A division has been requested on the amendment of the Senator from Kentucky [Mr. BARKLEY] to the committee amendment.

On a division the amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment passed over.

The CHIEF CLERK. On page 4, after line 13, it is proposed to insert:

Sec. 5. Electric power and energy—

Mr. BARKLEY. Just a moment. The amendment just agreed to was passed over yesterday at the request of the Senator from Montana [Mr. WHEELER].

Mr. OVERTON. The one we just agreed to was passed over until today.

Mr. BARKLEY. That is correct. I think the Senator from Montana did not realize that we were voting on the amendment which he asked to go over.

Mr. WHEELER. Mr. President, I did not understand that the Senate was voting to agree to the entire amendment. I do not think that the amendment offered by the Senator from Kentucky to the committee amendment which has just been agreed to, changes the effect of the committee amendment very much, but it does apply to the pending bill. I have no objection to the Senator's amendment insofar as it applies to the provision with respect to flood control, but it seems to me the amendment goes further than that and tries to set up a policy for the future with respect to reclamation and irrigation projects.

It was stated yesterday, as I understood, that, while it was not felt that a provision with respect to irrigation and reclamation should be contained in the bill, nevertheless such a provision was placed in the bill at the request of the Bureau of Reclamation. I understand now that when the bill came from the House it did not contain a provision with respect to irrigation and reclamation, but that the Bureau of Reclamation asked for certain amendments to the bill. Some of the provisions for which it asked were placed in the bill, but certainly not all the provisions asked by the Bureau of Reclamation were placed in the bill.

Mr. OVERTON. My recollection is, Mr. President, that the amendment with respect to irrigation was suggested by the Bureau of Reclamation. The amendment dealing with power, that is the sale of power and the distribution of power, was modified in the first draft of the bill, and has been since modified by the committee amendment which was submitted yesterday by the Senator from North Carolina [Mr. BAILEY].

Mr. WHEELER. I talked with a representative of the Department of the Interior this morning, and my information is—I may be incorrectly informed—that the Department feels that the provision dealing with reclamation and irrigation does not go as far as the Department would like, because it seems to throw the doors open with respect to the use of water, and does not eliminate the speculative features which they had suggested

be dealt with, nor does it try to limit the use of water to small farms. The whole policy of reclamation in the past—and I hope it will always continue in the future—has been that when the Government establishes a reclamation and irrigation project, it is not for the big farmers, but for the purpose of creating small farms and homes for those who wish to operate small farms for the purpose of making a living.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. OVERTON. I believe the Senator is referring to the Central Valley authority question, and not to the broad amendment with respect to irrigation. The Elliott amendment, which was inserted in the House, with reference to the Central Valley, provided that the 160-acre limitation should not apply to the Central Valley Authority. That provision was stricken out by the Commerce Committee. But that relates only to the Central Valley. I believe that the committee struck it out because it was thought that that was a matter on which we ought not to pass, but that the Committee on Irrigation and Reclamation should pass on the recommendation. That was largely the reason, although not exclusively the reason.

Mr. WHEELER. It seems to me that we ought not to establish a permanent future policy for irrigation and reclamation without the limitations which have heretofore been in the Reclamation Act. At this time I shall not oppose the first section on that basis, but I wish to have it clearly understood that, so far as I am concerned, I am not for irrigation and reclamation merely for the benefit of a few big farmers. The purpose should be to create homes for small independent farmers, so that they can make a living. When the war is over, a great many men now in the service will wish to establish homes for themselves.

Section 8 of the bill provides in part as follows:

Sec. 8. Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior that any dam and reservoir project operated under the direction of the Secretary of War may be utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), such additional works in connection therewith as he may deem necessary for irrigation purposes.

Under those conditions, first of all, a policy would be established under which the Bureau of Reclamation must go before the Secretary of War, hat in hand, to ask for approval of a project. Before a reclamation project could be constructed, the sanction of the Secretary of War would be necessary.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. OVERTON. I should like to read into the RECORD what the Secretary of the Interior requested in that connection, and then it can be compared with what the committee did. This is the



provision recommended by the Secretary of the Interior:

SEC. 6. Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior—

That is the "hat in hand" argument. Referring to the "hat in hand" argument, let me say that I do not believe that Secretary Ickes would take off his hat to anyone.

Mr. WHEELER. That is probably fortunate.

Mr. OVERTON. Someone must have control of a dam. If it is a flood-control or navigation dam, the Secretary of War has charge of it, and if it is an irrigation dam, the Secretary of the Interior has charge of it. Therefore the recommendation of the Secretary of the Interior is as follows:

SEC. 6. Hereafter, whenever the Secretary of War determines, upon recommendation by the Secretary of the Interior, that any dam and reservoir project operated under the direction of the Secretary of War can be consistently utilized for irrigation purposes, the Secretary of the Interior is authorized to construct, operate, and maintain, under the provisions of the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto), or under the provisions of other applicable laws, such additional works in connection therewith as he may deem necessary for irrigation purposes. Such irrigation works may be undertaken only after a report and findings thereon have been made by the Secretary of the Interior as provided in said Federal reclamation laws or other applicable laws; and, within the limits of the water users' repayment ability, such report may be predicated on the allocation to irrigation of an appropriate portion of the cost of structures and facilities used for irrigation and other purposes. Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing.

I do not believe there is any material alteration of that provision.

Mr. WHEELER. I believe the Senator is correct.

Mr. OVERTON. I think the Secretary of the Interior is satisfied with this amendment.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. O'MAHONEY. Let me invite the attention of the Senator to the language of the amendment proposed on behalf of a number of western Senators. I have not had an opportunity to consult with the Senator from Montana since this amendment was redrafted. If he will look on page 8 of the amendment, he will find there a new section 8 which I am persuaded will be quite satisfactory to the Army engineers as well as to the Bureau of Reclamation. I hope that before the day is over an opportunity will be presented for us to discuss this amendment with the Senator from Louisiana. However, I wish to invite the Senator's attention to the language which appears on page 8 of the proposed amendment, beginning in line 21. This amendment was submitted on behalf of a group of

western Senators, of whom the Senator from Montana is one. On page 8, beginning in line 21, I believe he will find that this matter is adequately dealt with.

Mr. WHEELER. I thank the Senator from Wyoming.

The VICE PRESIDENT. The clerk will state the next amendment which has been passed over.

The amendment was read, as follows:

Amend section 5 by striking out all the language after the word "cooperatives" and the period on page 4, line 25, and ending on page 5, line 7, and insert in lieu thereof the following:

"The sale of such electric power as may be generated at reservoir projects shall be made at the point of production, without special privilege or discrimination, so as to provide for the complete coordination of such power and energy with other power developments, both private and public, in the area contiguous with such projects. It shall be stipulated in connection with any sale that any and all savings realized by the purchasers shall be passed on under Federal regulation where no State regulation exists to the consuming public: *Provided*, That unless 90 percent of the firm power produced at such projects shall be demanded or purchased within 3 years after completion of construction of such projects, the Secretary of the Interior is authorized to construct transmission lines for the purpose of selling such power at wholesale."

So that section 5 as modified will read as follows:

"Sec. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The sale of such electric power as may be generated at reservoir projects shall be made at the point of production, without special privilege or discrimination, so as to provide for the complete coordination of such power and energy with other power developments, both private and public, in the area contiguous with such projects. It shall be stipulated in connection with any sale that any and all savings realized by the purchasers shall be passed on under Federal regulation where no State regulation exists, to the consuming public: *Provided*, That unless 90 percent of the firm power produced at such projects shall be demanded or purchased within 3 years after completion of construction of such projects, the Secretary of the Interior is authorized to construct transmission lines for the purpose of selling such power at wholesale."

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as modified.

The VICE PRESIDENT. The Senator from Louisiana is recognized.

Mr. OVERTON. Mr. President, let me make the observation that the pending amendment is a committee amendment being handled by the senior Senator from North Carolina [Mr. BAILEY], who is now present.

Mr. BARKLEY. Mr. President, let me inquire whether the Senator from North Carolina intends to make a statement in regard to the amendment.

Mr. BAILEY. I will make a statement about it if one is necessary.

Mr. BARKLEY. Probably I should have read at this point a letter from the Secretary of the Interior which I have just received in regard to the amendment.

Mr. President, I ask unanimous consent that the clerk read from the desk a letter addressed to me by the Secretary of the Interior, discussing the so-called Bailey amendment, and also a memorandum which he attaches to the letter, in regard to the flood-control bill.

The VICE PRESIDENT. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

WASHINGTON, D. C. November 22, 1944.

HON. ALBEN W. BARKLEY,

United States Senate.

DEAR SENATOR BARKLEY: My attention has been called to the amendment that Senator BAILEY intends to propose on the Flood Control bill (H. R. 4485). That amendment would result in a fundamental reversal of the sound traditional policies of the Congress with respect to the sale of Federal power. By restricting the construction of transmission facilities, it would place the Government in a poor bargaining position in the sale of its power and would permit the private utility in the vicinity of each dam to monopolize, on its own terms, the power produced at the Federal project. Rather than giving the customary preference to public agencies and farmers' rural electric cooperatives in the disposition of public power, the effect of the amendment would be to foreclose these public and nonprofit agencies from securing the power. The amendment would therefore result in lower income to the Federal Government and in higher power rates to the farmers and other consumers who might otherwise be benefited from the Federal power developments.

The genesis of the proposed Bailey amendment may be found in the declaration of water resource policies of the United States Chamber of Commerce, issued on May 29, 1944, by a committee largely composed of officials of private power companies and large mining interests. Declaration No. VI of that committee called for the pooling of public and private power along the lines of the proposed amendment and also stated that Government power should be sold "at the point of production." This was also the position taken by Governor Bricker in the recent campaign when he suggested that Federal power be sold at the busbar.

Disposition of power generated at Government projects under public power policies, such as sales preference for municipalities and other public agencies and for farm cooperatives, has been a basic tenet of governmental policy since 1906 when the Congress first authorized power developments on reclamation projects. Subsequently, the Congress has reiterated and extended these policies in the Tennessee Valley Authority, Bonneville, and Fort Peck Acts and in the Reclamation laws. I cannot believe that the Congress will want to overthrow these sound policies that have been embodied in our laws and have resulted in promoting the industrial development of the West and South and in the protection of the consumers in those areas. The policy of the proposed amendment would deprive the ultimate consumer of the benefits of low-cost electric energy produced at public projects and would permit their monopoly by a few private utilities.

I am attaching for your information a copy of a memorandum regarding the provisions of the flood-control bill that relate

generally to the power and irrigation policies of the Government.

Sincerely yours,

HAROLD L. ICKES,  
Secretary of the Interior.

#### MEMORANDUM ON FLOOD-CONTROL BILL

The omnibus flood-control bill, H. R. 4485, as reported by the Senate Committee on Commerce, authorizes the post-war construction of a large number of projects. It has a serious effect on fundamental Government power and reclamation policies. Because these policies are involved, and because the bill does not authorize immediate construction, hasty action is not called for at the present time, and the implications of the legislation should be carefully weighed.

Section 5 of the bill, as reported, deals with the disposition of electric power. While the clause is not objectionable in itself, it is less comprehensive and progressive than comparable clauses in laws previously enacted, such as the Bonneville and T. V. A. legislation. Furthermore, it is understood that an attempt will be made to amend section 5 and completely reverse the progressive power policies of recent years by virtually prohibiting the construction of transmission lines by the Government. Thus the Government, which builds the dam and generates the power, would have to depend for its disposal wholly on whatever utility company brought lines to the dam.

Section 8 of the bill, as reported, wisely invokes the reclamation laws in the use of projects for irrigation purposes. However, the bill as it passed the House contained no such provision, and in the Senate, it is understood, an attempt will be made to amend or delete section 8. The reclamation policies of this country, in effect for more than 40 years, are designed to encourage family-type farms and to discourage speculation. They should not be changed or set aside in the course of a hurried consideration of a flood-control bill authorizing projects at some indefinite future date.

In section 9 of the bill, as reported, is a paragraph headed "Connecticut River Basin," in which there is a proviso prohibiting the generation of hydroelectric power at dams in the Connecticut River Basin. This would mean that the dams would be so constructed that opportunities to harness and use a great amount of power in the Connecticut River Valley would be forever wasted.

Also in section 9 is a paragraph entitled "Missouri River Basin." This paragraph authorizes construction, and establishes a Missouri River Commission, in the War Department, which will plan further navigation and flood control projects in the Missouri Basin. The establishment of such a commission, and in fact the entire paragraph, runs counter to the President's proposal for a Missouri Valley Authority. Such an Authority would have to handle problems of reclamation, the use of public lands, power projects, etc., as well as flood control and navigation, and would be responsible for the long-range planning for the region. Its duties would be onerous enough without having the situation muddled by the existence of other commissions with partial authority and the authorization of partial plans for construction, in the formulation of which it had no voice.

Finally, in section 9, a paragraph headed "San Joaquin River" authorizes Army construction of certain projects in California, on streams flowing into the Central Valley. The Central Valley project, as authorized by Congress, is operated by the Bureau of Reclamation; the Bureau has built dams and irrigation works, and markets the surplus power. The present bill changes the pattern. It puts two different agencies, in two different departments, at work on a multiple-

purpose project where the utmost coordination is essential. Thus the effect of this section is harmful to good administration. Furthermore, it would be extremely harmful were section 8 deleted and sound reclamation policies disregarded as they were in the bill as it passed the House.

As the projects authorized by this bill would not be undertaken until after the war, there is no need for haste. There is danger in lightly changing fundamental policies for the conservation and development of our resources. Hasty passage of the bill might seriously hamper and delay every effort to adopt a sound program of unified development in the great river basins of the country.

Mr. BAILEY. Mr. President, it appears that the honored and honorable Secretary of the Interior does not like my amendment, and that he does not like a good many other features of the pending bill. I think that invites me to pay my respects to him. I think he is a very able man and a first-class Secretary of the Interior. He has conducted the Department of the Interior for nearly 12 years, and has done so with a great deal of ability. I think he is a first-class Administrator. But I do not think we could trust him—of course, I say that respectfully—in any matter of debate, or in any controversy in which he should determine to take a side. He is clearly a partisan in matters of this type, and I believe I am safe in saying that he is something of a crusader. The judgment of partisans and crusaders is always to be respected, just as the judgment of every one else is to be respected; but they are not, by any means, to be trusted. I think I may say, without violating the proprieties, that notwithstanding his unusual executive ability, his candor—and I think his honesty—he is the type of man who always goes to extremes, and if one gets into a debate with him and escapes without being called some foul name, or having some foul motive attributed to him one way or the other, he is lucky. That is a frank statement, but that is my estimate of the Secretary of the Interior.

I am glad this issue is here. It is a major issue of national policy. We have been coming to it for years, but we come to it now in the ultimate sense. If we settle it in one way, very clearly the national policy will be determined in that way, I should say, forever. If we should settle it in another way, in the way I propose to settle it, the national policy would at any rate be not irrevocable, and I think it would be constructive.

I submitted this amendment in a sincere effort to compose very great differences, and to bring about a substantial policy of live and let live.

When there were only a few dams here and there in the country, and we were not permitted the almost unlimited expenditures which are now permitted, the matter was not of any great pressing importance, and we did not think about the implications of what we were doing. It was not necessary to think about them because they were limited in their consequences. But we have before us a bill by which it is proposed to construct great dams throughout the country over a long period of years, which would call for, I believe, approximately a billion

dollars of expenditure, and would be, as we say, in the interest of flood control.

We have coupled flood control with the production of power. I have no objection to that where it is done as an incidental matter. Flood control comes first. The argument that our cities and farm lands ought not to be devastated year after year by floods if we can possibly prevent it, appeals to the finest instincts in the breasts of every one of us. It cannot be said that we have been successful so far, but we have set out in that direction.

On that portion of this subject I am rather committed. I will go far in the interest of flood control. I will go far in the matter of appropriations for such purposes, although I take the opportunity of saying that I look forward to the unlimited expenditure of money in this country with the greatest of misgivings. I frequently think to myself—I question if I have heretofore uttered such sentiments in the presence of others—that we are now entering upon a period of borrowing and spending which will make the Hopkins era appear to be an era of misers.

But I shall have to pass by that subject. I shall not discuss it. I throw out the suggestion because anyone can see where we are going. We are learning no lessons from the past in the matter of expenditure. We have taken the view that the resources of the Government, so far as money is concerned, are unlimited; that there cannot be any such thing as too much spending or too much borrowing, and that national bankruptcy is by no means possible. On the other hand, the attitude appears to be that the more we spend the richer we shall be, and the more capable we shall be of spending. We shall come into the post-war period—I hope very soon—with the impression that merely by the process of unlimited spending we can create unlimited income, unlimited taxes, and unlimited revenue. It is an impression so fallacious that I shall not controvert it at this time.

We have before us a long list of projects intended primarily, as we say, to control devastating floods. But coupled with it in most instances would be expenditures for the purpose of producing power, and for additions to the dams called for in the interest of power. The increases in appropriations necessitated by the power program would be really greater than the appropriations called for in the interest of flood control. Of course, that was never contemplated by the Constitution. I shall not argue that point; it is a matter for our own conscience; but I do say that it is a rather lamentable thing that we should take the good cause, the necessitous cause of flood control and build upon that as a pretext whereby we obviate the constitutional inhibition and thrust the Federal Government into the power field. Yet, that is the program; it is at hand, and we have now reached the point where we are building power dams everywhere. Whether we build them in the name of flood control or not makes no difference, for it appears by every conception from any angle that the objective is the production of electric energy.



We have had some disasters, one of them as I recall the Pensacola disaster—not in Florida, but I think in Oklahoma—wholly consequent upon undertaking to convert a flood-control proposition into a power proposition. There have been other such incidents in Texas.

But, after all, that is not the main matter that I am driving at. Here it is: We have reached the stage in our policy when we must determine whether we shall go on into an era of Federal power universally, Federal electrical power universally, or have the division we have had heretofore.

Now, it will be impossible for the power companies, that I may refer to now as private power companies although, of course, they are all quasi-public corporations and are controlled by the utility commissions of the several States and, to some extent, by the national authority under the Federal power laws. But when I say private power companies I am speaking of those companies which have grown up in the last 30 or 40 years by way of corporate organizations, with subscription to stock, and which operate as other corporations do, but always subject to the regulatory laws of the States in which they operate. I consider these power companies to be a real asset to the country and to the sections in which they are located.

I realize that the power companies have been under attack in this country ever since I have been in the Senate, and, unfortunately, some of the power companies conducted themselves so outrageously that they justified the attack. I refer, of course, to Mr. Insull's conduct, but not to him alone, for I should say there are others. He created what we call the holding company, and one holding company upon top of another, until the Congress had to take action to get rid of them, and it took rather arbitrary action. The whole consequence of that was that the private companies fell into a sort of general disrepute, and, under the ordinary operations of human nature, many of them became the objects of public and private attack. I am afraid that almost unawares we were driven by that process to an attitude of thinking that private power companies were bad things anyway and ought to be gotten rid of, and I think that is a part of the program with which we are dealing here. I do not subscribe to that at all. I think a private power company, well conducted and supervised by its State, its rates regulated, as they are regulated in North Carolina, its activities supervised, as they are supervised in North Carolina, is an asset to a State and to the people.

I think that is the first time I have ever heard that said in the Senate. Most people just assume that they are as bad as the Insull operations, which took place a long time ago and have been cleared up. Mr. Insull has gone; he has rendered his final account, and I shall say nothing about it. But can we say that all that has been done justifies the American Government and the Senate, as a part of it, in undertaking now a policy which will inevitably strike down all the power companies, in which event we

would have to substitute a national power system.

In the first place, we have always had in America the doctrine of free enterprise, and that doctrine has been revived in recent months to a greater extent than I had hoped at one time was possible. I think I will say something about that.

I am for free enterprise, not for the sake of free enterprise, but I am for free enterprise because we cannot have a free country without free enterprise. It is a keystone in the arch of American liberty.

I hear a good deal lately about "four freedoms." I have at least 44 freedoms, and I am equally attached to all 44, and do not intend to take four and let them eclipse the others. One of my freedoms is freedom of enterprise. That does not mean freedom to commit fraud; it does not mean freedom to oppress people; it does not mean freedom to take extortionate profits; but after all, it means freedom—freedom to invest money, freedom to create a business activity, freedom to conduct it within the law and with a fair regard to the welfare of your fellow men. But if we go ahead with this policy as we have been doing, some of us consciously, I fear, and some of us unawares, if we go on much further, if we pass this bill without such a provision as I have suggested, I believe we will then pass rapidly into the period of Federal power, Federal control, and at least, so far in the first instance as the production and sale of power is concerned, we will extinguish free enterprise.

Now let us go from that to the next point. If we extinguish free enterprise at that point and substitute Federal operation and Federal power I make bold to say that then we place the Federal Government in position to extinguish all other enterprise, for if I supply your house or your city or your industry or your factory with power and I am the government, I am also a tyrant; and I do not think the tyrants in ancient days had the power that the Federal Government would have if we should destroy the present private institutions and put ourselves to the necessity of establishing an all-controlling Federal system of power. The power of taxation would be involved. The Federal Government could make such rates as it pleased, and turn the profits over to the Government. It would have the power to kill and make alive. It could establish one rate for one section and another for another, one rate for one individual and another for another. I am unwilling to move into that field.

I realize that the Federal Government is growing in its centralization by leaps and bounds. I sometimes think it is nothing on earth but the long processes of the ages, that all governments tend to centralize and aggrandize their power. But really, Mr. President, we had hoped, when we founded this Government, to avoid all those gross mistakes of the past, and erect here a fabric and a structure in which the Central Government would never have the power to control as the aristocracies and the kingdoms of the Old World did. Yet the same tendency moves within the breast of the American

people that was moving in England in the days of Henry VIII, that moved in Rome under Julius Caesar, and almost into full flower under Augustus.

I often think that the men who wrote our Constitution and framed the character of this Government—I know I am telling the truth when I say it—had studied governments of all ages, and they were determined to avoid the grave mistakes that had brought about the fall of the greatest of empires and the collapse of all the little nations. They sought to create a system in which there could be no aristocracy of power, no aristocracy of right.

I take much interest in the fact that Gibbons' *Decline and Fall of the Roman Empire* was published, in its first volume, in 1787. Our Constitution was framed about the same time and was finished in 1789. There is no question that that was what Jefferson was thinking about, no question that that was what Hamilton was thinking about, no question that that was what Ben Franklin was thinking about. I shall not go into that; it is an old story. I do not think there is any question but that Alexander Hamilton, with that great brain of his, was saying, "All right; this is a dream, but it will never amount to anything until we have a centralized government." He had looked at the history of other governments. He was attached to the idea of federalism. He is even charged with wishing to make George Washington king. If he could be living now Alexander Hamilton would say, "All right; it is being worked out as I had hoped it would be. We have the great, all-powerful central government I desired, and I am sorry I wasted my breath trying to bring it about sooner."

If we enact the proposed legislation without my amendment and leave the matter to the tender mercies of Mr. Ickes and those associated with him, we are going to have in the field of power precisely a degree of centralization which will extinguish anything like free enterprise in the power business, and I think will threaten to extinguish free enterprise in all the other fabric which is dependent, of course, upon power. We would place in the hands of the Federal Government, not a political, but an industrial sceptre which would dominate everything in America.

Mr. President, I am against that. I wish to stand here on the threshold of this process and do what I can to prevent it, and if I can do nothing to prevent it, I could die more happy thinking that I would be remembered in the day of disaster as one who did stand to resist it.

Some may think I am theorizing. I am not theorizing. The proposition is to build power dams. Let due regard be had for the fact that they are also put forward as flood-control agencies. The proposition is to build power dams throughout the country, whether power is needed or not, and then to permit the Federal Government to sell the power in competition with private companies. It is said, that is a fair game. I think it is not a fair game. It is destruction. It is practically, I should say, immoral; it is so unfair.

I should have to defend myself for making that statement. But let us assume that here at Washington a dam is built on the Potomac to prevent floods, and it creates so many hundred million kilowatt-hours of power, and there is a private company here. I suppose there is one; I do not know, but let us assume there is one. Let us assume that from that dam we transmit the power into Washington and sell it, either wholesale or retail. Then we have put the existing company out of business.

Mr. President, if you want to know why I say that I can tell you why. The Federal power dam gets its money free, its capital investment comes free. The money is borrowed, borrowed by the Federal Government. The Government pays interest, but the Federal power institution pays none, so that it gets its money interest-free.

But that is not the worst of it. Power companies in North Carolina pay a 6-percent franchise tax on their gross receipts, representing quite a source of revenue to the State, and a considerable burden on such companies, competing with one which does not have to pay the 6 percent. If that were all the story, one might get along and tide over with it, and postpone his decision. But the private power company pays income taxes to the Federal Government on top of the other taxes. That is 40 percent of the profits. And on top of that it pays its property taxes. So that the Government-endowed company gets its money free, it is free of taxes, and yet it is put into the field of competition with the company which is operating as a private institution, paying its taxes, and under regulation by the State. I do not think I would undertake to run a business under such circumstances. I know that I would not call upon people to buy stock in a company under such circumstances. The Federal Government would have an advantage of at least 30 percent in the competitive market.

It might be said that it would be in order then for the private power company to reduce its rates to the level of those of the Government-owned company. The private power company could not do that without going into bankruptcy within a year, and if it should not reduce its rates, the consumer would buy where he could obtain power at the lowest rates, and the private power company would go into bankruptcy.

That, Mr. President, is the situation with which we are faced and that is what we are dealing with here. Unless we determine now upon a policy of live and let live, there will be in this country general destruction which will be very far reaching. I think it will go beyond the power companies and into all other industries, because there would be erected here in Washington an enormous and almost inestimable power. That is what has actuated me.

Mr. Ickes says that the Chamber of Commerce of the United States did something, and had taken a position similar to mine. I just heard Mr. Ickes' letter read at the desk. The Chamber of Commerce did not communicate with me about the matter. Mr. Ickes said

that Governor Bricker had taken the same view. Well, who is Governor Bricker? He is one of the ablest Governors in America. He was elected Governor of Ohio three times in a row. I do not think it was at all to its discredit that his party nominated him to be its candidate for Vice President. I myself think he is a very able man and worthy to be named as nominee for that position. Governor Bricker is assumed to be for my amendment. I never heard from him in my life. I saw him but once before he came to Washington to attend the inauguration 4 years ago. Governor Bricker's stand is sprung into the situation because everybody knows about it.

Well, I have paid my respects to my dear friend the Secretary of the Interior, but I should add that that sort of thing, is perfectly characteristic of him. He cannot help it, and I forgive him on the ground that he cannot help it. I think I might preach a little sermon to the Senate on that subject. The Lord's prayer, of which I would always speak reverently, contains the expression—

Forgive us our trespasses as we forgive those who trespass against us.

I think the true rendering of that is—

Forgive us our trespasses, as we did forgive those who trespassed against us.

I was discussing that with a minister some years ago, and I hope I will not appear to be pedantic if I quote him as saying that the last "forgive" in the phrase "as we forgive" is in the Greek in the aorist tense, which means "did forgive." At any rate, I have my own interpretation of that, because when we had under consideration the question of the debts of foreign nations back yonder in 1931 and the question of forgiving those debts came up, I considered that passage of Scripture, because one rendering of it is:

Forgive us our debts as we are forgiving to those who are indebted to us.

I remember I spent one entire Sunday afternoon digging into my books. It happens that my father was a minister, and my grandfather was a minister, and I have quite a collection of theological works which I inherited from them. I am sorry I did not inherit much of their piety, but I got something from their books and their examples. I spent that Sunday afternoon trying to find out whether there was anything in the Lord's Prayer that would move me to forgive the debts owing this country by other countries. I came to this conclusion, and it has abided with me. The expression in the Lord's Prayer means to make allowances for others with respect to those deeds which they seem incapable of avoiding doing. Forgive them with respect to their temptations which they do not have within themselves the power to resist. It does not mean to forgive a man who owes me \$10, and not collect the debt. But it does mean that if an individual owes you \$10, and he cannot possibly pay it, but has made an honest effort to pay it, he should be forgiven. I think it means that if a friend of yours simply by nature is quarrelsome and offensive, and

you feel that he would bite you if you get into difficulty with him, you should look into the situation, and see if that is his nature. If he has been that way always and is incurable, forgive him. We should make allowances for others as they make allowances for us. As for myself, I expect the Almighty to forgive me with respect to all those things that were too strong for me. If someone insults me and I get into a fight on the spur of the moment, if I cannot resist it, if something just takes hold of me, I think the Lord's recording angel would blot that out and say, "Well, we could not expect him to hold his peace under those circumstances. He is just that sort of a fellow, and we will call it even."

That, Mr. President, is enough for my remarks about Mr. Ickes. I do not object to his statement. I simply wish to exonerate myself. I had no communication of any kind from Governor Bricker, but if I had I would not have been ashamed of it. I think very highly of him. I think a man who has been elected Governor of his State three times in a row should command the respect of the universe.

I have no objection to Mr. Ickes undertaking to attach this proposal to the Chamber of Commerce. I will take an oath that I never heard of any such thing before Mr. Ickes' letter was read at the desk. I simply say that that is the way my dear friend Ickes does things. If he can put you in a bad light, or put a piece of legislation in a bad light or in such a position that folks suspect you of low-down motives, he thinks he has won an argument. I do not think he has done so at all. I think he has lowered himself in the estimation of reasonable people.

I say that in all respect to him. He and I are good friends. I went down to see him not long ago and took lunch with him, and I think he is a pretty good executive, but a mighty poor talker. I would not trust him to lead me in any matter, because he has the way of taking the notion that everyone on earth is a rascal except himself. I do not fancy that. He thinks he can convince the American people that I am a rascal. Well, I have always thought I could out-cuss him, but I was too much of a gentleman to try.

That, Mr. President, is enough for Mr. Ickes. I am sorry I became diverted from the main theme to a discussion of him. Now to return to the main proposition. If we go into this matter now and build these dams, and then authorize Mr. Ickes to take the power and distribute it to suit himself, build his transmission lines, he can shoot down any private company in America. I am not saying that private companies are perfect. I do not think we should impute to them all that Mr. Ickes would have us do. I think we should judge them not according to any individual's ideas, but judge them as we would any other person or any other corporation. I do think they are symbolic at this moment of private enterprise in America.

I will even go so far as to say that I look forward to the time when the Federal Government will no longer be begging for money on the streets and the



highways of this country, as it must do now, when it will no longer be extracting money from the banks and the insurance company, whether they will or not, and that we can erect a structure here on the ruins of the old depression in which the American people can invest their savings in going concerns with the hope of seeing them grow, with the hope of good dividends, and the hope of constant expansion. But if we adopt the policy suggested we strike down the first line of defense of free enterprise.

My proposal is a very simple one. I am trying to maintain a live-and-let-live policy. I am trying so to arrange the program that the Federal Government can build dams, control floods, and sell power, and at the same time not sell it in such a way as to destroy the invaluable assets we now have in the private power companies. Some may challenge my statement that they are invaluable assets. Let us agree that here and there everything bad has been done that is said to have been done. Let us agree that there was a necessity for reform in the holding company field. That reform is behind us. It is accomplished.

The power companies came to my State about 35 or 40 years ago. We had no coal. We had no industries. In those days it was generally understood that North Carolina would never get ahead. It was described as a valley of humiliation, with the mountain peak of South Carolina's pride—I hope I do not offend—on one hand, and the might of Virginia on the other. We had no iron, and we had no coal. It was thought, therefore, that we would never get any industries. I myself rather thought so.

While I am on my feet, let me tell a story. When I was about 24 years old I happened to fall in with Mr. D. A. Tompkins. We were coming down the mountain by the Happy Valley, to which I referred yesterday. Those were the days when we rode in hacks. He said to me, "Young man, you will live to see the day when all this country will be dotted with textile institutions. North Carolina is going to grow. We are going to manufacture our own cotton goods, and more besides; and when we get those industries we will get others."

That was in the midst of the old depression of the nineties. Some called it the Grover Cleveland depression, and others the Harrison depression; but it was my depression, at any rate. I was a victim of it. I was starting out in life, and looking about my own State. At that time the public schools of North Carolina were operating only 14 weeks in the year, and the pay of a teacher was only \$25 a month for those 14 weeks. The outlook was very gloomy. Tompkins, with the eye of a prophet, told me about the development that was ahead. I said, "Mr. Tompkins, we have no iron, and we have no coal. We are not like Pennsylvania. We are not like New England. We have no seaports. Why do you make such predictions?"

He said, "We are going to flood this State with 'white coal.'" I had never heard the expression before. I asked him what he meant. He said "electricity." He said, "What is happening by

way of the building of dynamos and the transmission of power is going to bring North Carolina and the South into their own. You ought to thank God every day that you are a young man, and will live to see it."

Mr. Tompkins lived to see a part of it, but not what I have seen. Today North Carolina has 400 cotton mills, and many woodworking and furniture plants. I think we outrank Michigan in the production of furniture. In addition we have great cigarette manufacturers. We have all that, not by virtue of Federal power, not because of dams operated by Mr. Ickes. We had never heard of him then. We have it because of private power. We are realizing the blessings of white coal, which was developed by private capital, and is to this day managed by corporations under the supervision of the State. So I say that the power companies are great assets. If we had not had them, North Carolina would probably be away back yonder where she was about 1910. Let me say to my fellow Senators from the South that we have a little coal around Birmingham, and we are now developing more or less traffic by rail. We have a little steel around Birmingham; but for the most part, the one portion of this country more dependent upon electrical energy than any other is the southern section of the country. That is not to say that we do not use coal. We use coal, but we must pay more for it than do the people near the coal fields.

In this connection, let me make a comment which may be of some interest. The Duke Power Co. in North Carolina operates a great series of dams, built under the supervision of the late Buchanan Duke; but it also operates a steam plant, which uses 700 tons of coal a day. I am told that the use of coal is just as economical as the use of water power.

On that point, let me say that if we go into this business and sell power to the public at rates less the franchise tax, less the State income tax, less the property tax, and less the Federal tax, there is no possibility that any power company can survive. I am satisfied that the Senate does not wish to destroy them. What we wish to have is a policy under which the Federal Government can build its flood-control projects and add to them, when it is reasonable to do so, power production, and then sell the power under circumstances which will permit private enterprise to live, even if the private enterprise does have the bad name of being a power company.

The only alternative is to destroy the power companies, or buy them in, as the Tennessee Valley Authority bought the Tennessee Power Co. Let the Federal Government borrow money to pay for them, centralize the power, and destroy free enterprise in the instance of power companies, and then use the centralized Federal power to control every enterprise in every section of the country.

That is the choice which we have. My amendment provides for the production of the power and the sale of it at the point of production. Everyone knows the reason for that. If Mr. Ickes is given

authority to build transmission lines, he will build them into the cities and take the cream of the private companies' business at once. The private company must pay taxes. The Federal Government does not even have to pay for its money. It does not even have to pay for its losses. They can be taken out of the Treasury. That is the first point in the amendment. Then it provides for sale of the power on an equitable basis, the sale to everyone who comes, alike.

In his letter I think the Secretary of the Interior says we would be putting the rural electric lines in a bad position. That is not the case at all, Mr. President. The rural electric lines will be able to buy the power just the same as anyone else will be. The power line will be able to buy it the same as anyone else will. The amendment provides that any profits or savings shall be passed on to the consumers. Anyone else will be able to buy the power, just as he wishes, and will be able to distribute it. Of course, that will put the power in the hands of the local power companies, where they can use it, if they extend their transmission lines to the dam and get the electrical power and distribute and sell it; and we would help them to that extent, because we would build a great dam for it. But the power must be distributed in either one way or the other. We can either distribute it by means of the Federal Government, with the resultant destruction of free enterprise, or we can distribute it through free enterprise. Senators can make their choice about that. I have made mine.

Of course, there is the possibility that the power will not be sold. I have inserted a proviso in my amendment to cover that point. If under the system I have proposed the power is not sold within 3 years, the Federal Government will have a right to run a transmission line to the dam and to sell the power at wholesale. I think there may be some sections of the country where there is no demand for electrical power. There may be a demand for such power later on. I fear that there are some sections of the country in which there is a surplus of electrical power. Let us hope that will not be true later on. Let us not proceed on the theory that we have too much power. There may be a surplus at the present time in some places, but let us hope that we shall have a great abundance always. If, however, the private companies did not buy the power, or if the rural cooperatives did not buy it, then we would provide authority, after 3 years, to go into the market and to sell it at the end of a transmission line built by the Government. The power would be sold at wholesale. If we do not include a provision for its sale at wholesale, we will run Mr. Ickes right into the private power business. While I have said that he is a good Secretary of the Interior, I would not let him run any of my businesses if I could help it.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator

from North Carolina yield to the Senator from Louisiana?

Mr. BAILEY. I yield.

Mr. ELLENDER. Is it not true that the language which the Senator's amendment would strike from the bill provides that the power lines shall be built by the Secretary, for wholesale distribution only, not retail distribution?

Mr. BAILEY. That is correct.

Mr. ELLENDER. How can the Senator argue that under the law the Secretary of the Interior would have the right to sell the power at retail?

Mr. BAILEY. I am glad the Senator has called my attention to that language. I will read it myself. This language was in the amendment originally, but was stricken out—

Mr. ELLENDER. I am speaking of the language which the Senator seeks to strike from the bill.

Mr. BAILEY. Yes. While I have put similar language into my amendment, I was speaking of the alternatives to my amendment. I was not thinking of this special matter. But if the Senator wishes me to do so, I will state that the amendment as originally reported provided as follows:

The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

I will explain my position. I was not thinking about that alternative at all. I was giving Senators their choice between my amendment and the general alternative at which Mr. Ickes is striving. There is no question on earth but that the program in certain quarters in Washington is to put the Federal Government wholly into the power business, wholesale and retail. The pending amendment, which I do not think is an amendment of the Secretary's, was agreed upon in my absence by the chairman of the subcommittee, I think.

At any rate, Mr. President, I have undertaken to lay before the Senate the alternatives here. I have undertaken to state the terms of this problem, which now has come to the point where we must go either one way or the other. It is my judgment that unless the amendment which I have put forward here shall be adopted as the policy of our Government, in view of the great developments which we have projected, we will inevitably run into Federal power as a whole. We will destroy the free enterprise system upon which we have built the structure, so far, not only of the country but the industrial structure of our people.

I will say about the amendment that I drew it after very careful consideration. I drew it without the aid or assistance of anyone on earth. I drew it in the privacy of my office, and in an honest effort to solve a difficult problem. I put it forward here as the best that I can conceive of by way of a method of enabling the Federal Government to go on with its flood control

and its incidental production of power, but at the same time to enable the private power companies and private enterprise generally to carry on without the condition of a hopeless and ruinous competition.

I submitted the amendment to the Committee on Commerce. Twelve Senators were present at the committee meeting. The amendment was very thoroughly discussed. It was altered to some extent from the original amendment which I had proposed, and I think it was altered for the better, and certainly with my approval. It was supported by the committee by a vote of 9 to 3. It stands here as a committee amendment, and has that status. I urge Senators, with all earnestness, seriously to consider it. If they take the view I have taken, I have no question as to what their decision will be.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. MURRAY. I should like to inquire whether the Senator feels that his description of the private power plants, as he finds them in his State, is generally applicable to such plants all over the country.

Mr. BAILEY. I would not know a thing about plants in the other sections of the country. I am simply using the situation in North Carolina and what I know about it as illustrative of the situation as I see it and, certainly, as having a great deal to do with my attitude.

Mr. MURRAY. Does the Senator believe that the private power plants have been a great asset in the development of industry in this country?

Mr. BAILEY. I am sure of it.

Mr. MURRAY. I am inclined to question that. I question it because of our experience in my own State of Montana. In Montana we have a power monopoly, controlled by the Montana Power Co. The Montana Power Co. was organized by means of grouping a number of smaller plants, and thereby obtaining control of the entire power industry of the State. In organizing that power monopoly, in each instance after a plant was acquired it was turned in at a very highly inflated value. The result is that the stock of the Montana Power Co. was inflated way beyond anything within reason. Then, later on, the Montana Power Co.'s controlling interest was taken over by the American Power & Light Corporation, and subsequently the control of the American Power & Light Corporation was taken over by the Electric Bond & Share Corporation. Each of those holding companies has also undertaken to milk the State of Montana, requiring the maintenance of excessive power rates.

As a result of this monopoly in our State, we find that it retards industrial development and business growth. As the result of this situation, we find that in our State no new industries are being developed and no business of any kind is growing, and the State has been witnessing a gradual loss of population. Every census taken during the last 40 years has shown a decline in population. This is all because of the fact that this

power company monopolizes the production and sale of electric power in our State, holds up the rates, and prevents new enterprises from developing because they cannot afford to operate on the basis of the rates charged by the present company.

Mr. BAILEY. Mr. President, allow me to say to the Senator from Montana—

Mr. MURRAY. Only recently there came to my attention—

Mr. BAILEY. Is the Senator making a speech or asking a question?

Mr. MURRAY. I am merely trying to explain the situation existing in Montana as compared with the situation which the Senator has described with reference to the State of North Carolina. I admit that if all the States in the Union were in such excellent condition as that claimed by the Senator from North Carolina for his State, I do not believe there would be much opportunity for me to make an argument against him in this matter. I am inclined to think that if conditions in North Carolina are exactly as the Senator states, they do not apply to the country as a whole.

Mr. BAILEY. Allow me to say to the Senator from Montana that there are no conditions in North Carolina with respect to power which could not be made applicable in any State if the State knew what to do. I should be the last to suggest that Montana, represented here as it is by its senior Senator and the junior Senator, would not know what to do.

During a long life I have never heard of any industries leaving North Carolina or failing to come to North Carolina because of power rates. Power rates are low. But I have known of one great company which refused to go to another State because of the character of its politics. I suppose that politics in Montana are on a high level. I would not suggest anything to the contrary. But when the Senator gets into an argument as to why one State is growing and another is not, I do not think he can hold his ground that power companies are keeping the States from growing. Power companies grow by selling power, and most of them of which I have heard were trying to get industries to come into the State and consume power. It is a well-known principle that the more power there is to sell the lower the price of the power will be, and the greater will be the volume consumed. The principle applies with respect to power, I believe, even more than it does with respect to automobiles and other commodities. The volume has a great deal to do with the rate. Every time we reach a new peak volume in North Carolina we have a new dip in the rates. The rates are under the supervision of the State. We are not afraid of the power companies in North Carolina. We control them. We take 6 percent of their gross income to start with, and even then we obtain low rates.

Mr. MURRAY. The Senator makes what sounds like a logical argument. It may be true that in his State the situation can be controlled, and reasonable rates maintained but it is entirely different in Montana and, I believe, in many other sections of the country as well.

Mr. BAILEY. I will not dispute the Senator with regard to that point, but



God forbid that the time shall ever come when I stand as a Senator from North Carolina, and say that my State is not capable of dealing with any situation presented to it. I am not saying that the Federal Government should manage matters in North Carolina. If I had to do that I believe I would ask that the State be made a Territory.

Mr. MURRAY. I am not undertaking to dispute the Senator with reference to the manner in which problems are handled in the State of North Carolina. I am merely saying that as the result of a monopoly which exists in Montana, and the failure to develop adequate power and sell it at low rates, we are witnessing a decline in population and a failure to obtain new industries. Not only has the power monopoly to which I have referred failed to go forward and develop, and provide cheaper power, but as the Federal Government has undertaken to develop cheap power in Montana at Fort Peck and the Polson Dam the monopoly has been able to grab it and prevent the State of Montana from obtaining benefit from it. It is a subject which the senior Senator from Montana [Mr. WHEELER] was undertaking yesterday to explain. I believe that before the debate on the subject has been completed he will probably discuss this matter more fully.

Mr. O'MAHONEY. Mr. President, an amendment has been submitted and is lying on the desk. It deals with several matters involving the pending legislation. It deals, for example, with section 6 of the bill as reported by the Committee on Commerce, with section 8 of the bill, and with the provisions beginning on page 20 and continuing to page 21 with respect to the Missouri River Basin. It perhaps deals also with one other section.

In addition, Mr. President, there is an amendment which undertakes to deal with the protection of local rates in the planning of projects and in the distribution of water.

The sponsors of this amendment are hoping to have a conference this afternoon or tomorrow with a view to working out an agreement with the committee.

Inasmuch as it appears likely that the remainder of the afternoon will be devoted to matters which are now pending, and which have not been decided, I ask unanimous consent that the specific amendments to which I have referred go over until Friday.

Mr. OVERTON. Mr. President, reserving the right to object, do the suggestions of the Senator and the amendments to which he has referred relate in any way to the Connecticut River Basin?

Mr. O'MAHONEY. Yes; one of them does.

Mr. OVERTON. I was hopeful that we might possibly dispose of the Connecticut River Basin proposal this afternoon.

Mr. O'MAHONEY. I doubt whether it can be disposed of this afternoon, because, as I have said, the Senator from Vermont [Mr. AUSTIN] has been in conference with the sponsors of the amend-

ment, and it is an integral part of the pending proposal.

Mr. OVERTON. Mr. President, I have no objection.

Mr. AIKEN. Mr. President, may I ask to what amendments the Senator is referring?

Mr. O'MAHONEY. I am referring to the amendments which I asked to have printed, and which are lying on the desk. The amendments were offered on behalf of the senior Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. BUSHFIELD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. CLARK], and other Senators.

Mr. AIKEN. Is one of them the so-called O'Mahoney amendment?

Mr. O'MAHONEY. Yes; the O'Mahoney-Millikin amendment.

Mr. AIKEN. To when did the Senator ask that the amendments go over?

Mr. O'MAHONEY. Until Friday. I understand that there is to be no session of the Senate tomorrow.

Mr. WHITE. Mr. President, in asking that the amendments go over until Friday, is there implied any understanding that a vote will be reached on them on Friday?

Mr. O'MAHONEY. Oh, no. I merely did not wish to have the amendments taken up for consideration today.

Mr. OVERTON. There is, however, a fervent hope on the part of the senior Senator from Louisiana that we may vote on them on Friday.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming that the amendments to which he has referred be passed over until Friday? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I rise in opposition to the amendment proposed by the distinguished Senator from North Carolina [Mr. BAILEY]. I followed his speech very closely in respect to his contention that the adoption of the policy contained in the committee amendment is a forerunner to the destruction of private enterprise. I cannot quite agree with him. The production of power from falling water in connection with flood control and navigation should by all means be carried out by the Federal Government. It is a large, intricate, and expensive undertaking and if left to private enterprise I entertain the view that little, if any, of our huge water resources would be adequately developed. It is necessary that our efforts be coordinated in that direction so as to properly develop that source of power. If left to private enterprise, profits, instead of a preservation of our natural resources, would be the motive, and I know that many feasible projects would remain undeveloped.

As I pointed out to the distinguished Senator from North Carolina a few minutes ago, under the original committee amendment the Secretary of the Interior is merely empowered to build lines so as to facilitate the distribution of power in wholesale quantities and not retail. Existing distribution systems by retail will be afforded the opportunity to tap such Government lines as may be built

from the source of the power to points of distribution for retail. I repeat, and please bear in mind, Senators, that the original committee amendment does not authorize the building of power lines by the Government for retail distribution.

Mr. BAILEY. Mr. President, I wish to apologize to the Senator who is speaking and to the Senate. I must leave the Chamber to take a little lunch, and will be right back.

Mr. ELLENDER. Mr. President, when T. V. A. was created by the Congress I was not privileged to hold membership in this body and I was therefore not afforded the opportunity to vote for such a project. Since taking office I have always supported the T. V. A., because I believe it to be most essential for the preservation of our oil, coal, and other power resources for future generations. The power developed by T. V. A. from our water resources during this war has saved tons of oil, coal, and other power-producing resources and, may I add, the lives of hundreds of our boys. That power made it possible for us to prepare for war in a very short period.

Mr. President, I wish to state now that I propose to work for and fight for the establishment of other T. V. A.'s throughout the Nation. My hope is that a gigantic plan can be inaugurated and coordinated so as to make electricity available to all citizens in every section of our country. Such a plan cannot be carried out by private capital. Such a plan must be given national scope with a view of preserving our dwindling oil and coal resources. I firmly believe that if we should utilize falling water to generate electric power we could preserve under ground oil and coal in vast quantities for the protection of generations unborn. If properly developed, I can foresee our main railroad trunk lines powered by electricity generated from our water resources. I can see our major industries powered with cheap electricity. That, Mr. President, can be done only if we have a master plan to go by under Government supervision and with Government aid. My hope is that private industry will undertake to distribute by retail most of the power that will be developed with Government funds.

Mr. President, I do not intend to further elaborate on the advantages of power development by the Federal Government, but I shall discuss the pending amendment.

In my humble opinion, the so-called Bailey amendment, if adopted, would destroy a fixed policy which has been established by the Congress for over 40 years, and which has made it possible to distribute cheap electricity to many of the people of the United States. The amendment restricts the sale of Government power at the source, which is contrary to the public-owned power policy repeatedly declared by the Congress. Section 5 of the bill, as it is now written, provides that the Secretary of the Interior shall have the power to build lines, not to distribute electricity direct to the consumers but on a wholesale basis, so that all distributors, whether private or quasi-private or Government owned, will

have an opportunity of purchasing electricity for distribution to the ultimate consumer.

As I view the Bailey amendment, this is what would occur: The Federal Government would spend millions of dollars to develop electric power and then leave it to private industry to tap it at the source, purchase up to 90 percent of capacity, and then control the distribution of the electricity generated. If the policy prescribed in the Bailey amendment were to prevail at Bonneville and at Grand Coulee, it would be impossible for the cooperatives of the Nation to distribute any of the electricity produced at those dams, for the simple reason that the Grand Coulee is located almost 95 miles from appreciable habitation and Bonneville 45 miles. Under present conditions the cooperatives have much difficulty in borrowing sufficient funds to distribute electricity to customers near their source of supply. If they had to spend enormous sums in order to transmit electricity for from 45 to 95 miles, Senators can readily see that many farmers and many small communities which are now not furnished with electricity would continue to be deprived of it.

On the other hand, if the Bailey amendment were adopted the Secretary of the Interior would have to wait 3 years before he could make any move. Listen to the language, and I quote from page 3, beginning on line 6, of the printed amendment:

*Provided, That unless 90 percent of the firm power produced at such projects shall be demanded or purchased within 3 years after completion of construction of such projects, the Secretary of the Interior is authorized to construct transmission lines for the purpose of selling such power at wholesale.*

In other words, it is conceivable that a plant may remain idle 3 years before the Secretary can make a move. He must allow private industry 3 years so as to decide whether or not it will utilize at least 90 percent of the power developed. Should private industry exercise the right, then cooperatives would be excluded from using cheap, Government-owned power. That, I am certain, is not desired by the American people.

Mr. AIKEN. Mr. President, does the Senator understand that if a private concern is willing to build a line to a dam and take the power there would be any control over the resale price of that power, except to say that the benefits of the dam should be passed on? For instance, if power is produced and the wholesale price, we will say, is a cent and a half, but because of the dam it can be produced for a cent, that means that the price might be reduced from 14 to 13½ cents per kilowatt-hour, but there is no assurance that the consumers would really get the benefit of the dam, is there?

Mr. ELLENDER. No, but the Bailey amendment would be subject to the same provision as that which is now contained in the bill, and that is that it would be under the control of the Federal Power Commission.

Mr. AIKEN. Does it say that the Federal Power Commission shall fix the rates? I do not so understand it.

Mr. ELLENDER. On page 4, in line 21, section 5, as modified by the Bailey amendment, it is provided—

the rate of schedules to become effective upon confirmation and approval by the Federal Power Commission.

Mr. AIKEN. Is that in any State or simply in those States that have no public service commissions of their own?

Mr. ELLENDER. As I interpret the language I think it applies to all electricity sold by the Government, whether under the amendment as written or under the Bailey amendment. If the Senator will look at page 4 of the pending bill beginning with line 21 he will find the words:

The rate schedules to become effective upon confirmation and approval by the Federal Power Commission.

That language remains in the bill even with the Bailey amendment, and applies with equal force.

Mr. HILL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HILL. I think the Senator ought to take in connection with the provision he has read the provision of the Bailey amendment on page 3, line 2, beginning with the word "It", which reads:

It shall be stipulated in connection with any sale that any and all savings realized by the purchases shall be passed on under Federal regulation where no State regulation exists, to the consuming public.

I think that provision nullifies, so far as any practical effect is concerned, any provision about the Federal Power Commission.

Mr. ELLENDER. The Senator may be correct. As I understand the language just quoted by him, it relates to savings made and not to rates.

Mr. AIKEN. Mr. President, under the Bailey amendment the Federal Power Commission has to approve the rate schedules fixed by the Secretary of the Interior, but I do not see that the Federal Power Commission has to approve the rates charged the consumer.

Mr. ELLENDER. The Senator may be correct about that. However, I desire to point out and emphasize that the Federal Power Commission will have the same power if the Bailey amendment is adopted as it would have if the original committee amendment were adopted by the Senate, insofar as rate making is concerned.

Mr. AIKEN. It looks to me as if the Bailey amendment nullifies the provision of the bill which the Senator has just read.

Mr. ELLENDER. Mr. President, as I have said—and I desire to emphasize it—if the Bailey amendment is written into the bill as it is now framed and pending before the Senate it would be possible for the Federal Government to build a project and for it to remain idle for 3 years. I do not believe any of us want that to happen. I do not believe the people of this country desire to have the Federal Government build these projects, at enormous expense, and then let the power generated at the dams be utilized solely by private concerns.

The third and last objection I have to the Bailey amendment is that it is in some respects contradictory in terms.

Mr. HILL. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. HILL. Does not the Senator think that the Bailey amendment would put the Federal Government absolutely at the mercy of the private power companies? And when I say at the mercy of the private power companies, I call attention to the fact that there is no competition between private power companies, so far as the purchase of power and the distribution of power are concerned. They all work right together, and I wish to be fair and say that in many respects they have to work together. They have what we used to call in the old days the gridiron system. There may be a private power company operating in an area where the Government has built a dam, and no farm cooperative can go there, because there is no provision for transmission lines. So the Federal Government, unless it wants this power to go over the dams and be wasted for 3 years at a time, is absolutely at the mercy of the private power company as to what it will pay for the power.

Mr. ELLENDER. The Senator is correct and I have tried to make that point clear on several occasions during the course of my remarks.

Mr. HILL. We saw that at Muscle Shoals, at the Wilson Dam, after the last war. We recall how the power there was sold at 2 mills a kilowatt-hour, which was a very cheap rate at that time, and that it was sold to the consuming public for 5 or 6 or 7 cents a kilowatt-hour. There was no competition there at that time, and the Government was absolutely at the mercy of the private power company. It had to take what the company asked or permit the power to go to waste, with consequent loss to the Government.

Mr. ELLENDER. Mr. President, the third objection I have to the Bailey amendment, as I indicated a few minutes ago, is that it is in some aspects contradictory in terms. The amendment as originally adopted by the committee provides on page 4, line 23, of the bill, that—

Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

That language will remain in the bill should the Bailey amendment be adopted.

Now the Bailey amendment provides:

The sale of such electric power as may be generated at reservoir projects shall be made at the point of production, without special privilege or discrimination.

The power shall be sold without special privilege or discrimination.

In other words, in the same section we have language to the effect that preference in the sale of power and energy shall be given to public bodies and cooperatives, and following that language



we have the Bailey amendment language, which states that—

The sale of such electric power as may be generated at reservoir projects shall be made at the point of production, without special privilege or discrimination.

Now, Senators, which language would prevail? There is certainly a contradiction and my guess is that private concerns would be in a position to purchase power to the exclusion of cooperatives.

My hope is that the Senate will vote down the pending amendment. As I indicated at the outset, I do believe that the Congress should provide for the development of electric energy from falling water so that all citizens can obtain cheap electricity and so that we can preserve for future generations our oil, coal, and other natural resources.

Mr. DOWNEY. Mr. President—  
The PRESIDING OFFICER (Mr. MAYBANK in the chair). The Senator from California.

Mr. DOWNEY. Mr. President, it is my intention to vote against the pending amendment, and while I have no desire to make an extensive argument upon it, I wish briefly to express my views. While I do not wish to reply at length to the eloquent argument of the Senator from North Carolina [Mr. BAILEY], I do want to say emphatically that I cannot agree with him in his contention that the extension of public power will imperil free enterprise in the United States. As a matter of fact, in the State of California we have seen a wide development of private enterprise directly because of the extension of public power, and I have no doubt that the continued development of power in California, both private and public, will further advance business and free enterprise.

The proposed amendment now pending would give large advantages to private utilities over cooperatives and public agencies in the purchase and utilization of public power. As a matter of fact, Mr. President, the portion of the proposed amendment which has been offered by the Senator from North Carolina would directly nullify the first part of the amendment which is now in the bill, and which would remain in the bill under the proposed amendment. The wording to which I refer is as follows:

Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

I take it that that is a principle of law on which all of us are agreed, that in these public-power projects, where public money is used, public agencies and cooperatives should be given the advantage in the purchase of the power. At least that sentence remains in the amendment. But in spite of that fact, the portion of the amendment now suggested by the Senator from North Carolina would prevent cooperatives and public agencies generally from competing on equal terms with private utilities, because it will be seldom, indeed, that any cooperative, any city, any public agency can build transmission lines from their point of consumption to one of these power dams to be erected. Private utilities, of course, can build such transmission lines. So the principal effect of the

amendment would be that for 3 years, cooperatives and public agencies which should have preference, and to which we desire to give preference, would be denied equal opportunity with private utilities to purchase the power at the dam site.

Because, Mr. President, the proposed amendment would entirely nullify a beneficial principle of our law, that in public power projects cooperatives and public agencies should be given the advantage, because it directly gives to private utilities an advantage, which I think is totally unfair, it is my intention to vote against the pending amendment.

Mr. MAYBANK. Mr. President—  
The PRESIDING OFFICER (Mr. McFARLAND in the chair). The Senator from South Carolina.

Mr. MAYBANK. It is not my intention to make any lengthy remarks on the pending amendment, but it will be my purpose to vote against it for many reasons. It is well known to the people of South Carolina that were it not for the public power projects in our State, established with the assistance of the Federal Government, many of the industries now operating in South Carolina would not be there, and much of the war work which has been done at the Charleston Navy Yard and elsewhere would not have been accomplished. Mr. President, furthermore, were it not for the excellent cooperation and work of the Department of Agriculture, the Interior Department, and of the Committees on Appropriations and Agriculture, in the extension through Federal funds of rural electrification, which has brought about cheap public power and no line charges, our farmers to a large extent would still be in the dark and their incomes low.

I am hopeful that future Congresses will continue Federal assistance and aid to the States for power development, direct as well as indirect, so that the farms of our State, from one end to the other, may be lighted at cost, and so that industries and others desirous of cheap power from the waters which flow through our State, may be the beneficiaries.

Mr. LANGER. Mr. President, I believe on a question so fundamental as this we ought to have the yeas and nays. I therefore ask for the yeas and nays.

Mr. BARKLEY. Mr. President, I should like to ask the Senator from Louisiana [Mr. OVERTON] if he is going to try to dispose of this amendment today.

Mr. OVERTON. I hope to dispose of it today.

Mr. BARKLEY. If it is going to be voted upon I desire to make some remarks concerning it. If not I should like to postpone my remarks until Friday. I have no desire to delay consideration of the amendment.

Mr. OVERTON. I should like very much, I may say to the Senator from Kentucky, to have the amendment voted on today.

Mr. BARKLEY. Does the Senator from North Dakota wish to speak now?

Mr. LANGER. No; I do not wish to speak now, but I ask for the yeas and nays on the amendment.

Mr. BARKLEY. I join in that request.

Mr. OVERTON. I should like to make a brief statement in reference to the amendment and then the Senator from Kentucky can close, or he can proceed, and I can make a closing statement after he has concluded.

Mr. BARKLEY. It does not make any difference to me.

Mr. OVERTON. The Senator from North Dakota has the floor.

Mr. BARKLEY. If it is all right with the Senator I will proceed now and say what I have to say.

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. Mr. President, I wish to make a brief statement in regard to this amendment. I am sorry the Senator from North Carolina [Mr. BAILEY], the author of the amendment, has found it necessary to leave the Chamber. I always regret the necessity, when it is a necessity, of disagreeing with the able Senator from North Carolina. I think he knows that there is no Member of this body for whose ability and for whose honesty and integrity I have greater respect than I have for his. I do not take the attitude which I am taking on this amendment because of what Mr. Ickes has said in his letter to me, although his letter has fortified me in my opposition to the amendment. I do not take the position I take because of any statement on the part of Governor Bricker. I have disagreed with Governor Bricker concerning many things in recent months. I do not thereby express any disrespect for him or his right to entertain his views on general political matters about which no one expected me to agree with him. While I have great respect for the ability and the power of the United States Chamber of Commerce I have found myself sometimes in disagreement with them and sometimes in agreement with them. But I am not actuated in my attitude on this amendment by anything the United States Chamber of Commerce or Governor Bricker or anyone else has said. I am actuated by my belief that the adoption of this amendment would be a serious mistake on the part of the Senate of the United States, and I have in a modest way been identified with the development of power legislation in the United States during the past 32 years.

For a long time the activities of Congress in regard to our rivers were limited to navigation. It was a wise provision which our forefathers inserted into the Constitution, giving the Congress the power to regulate the commerce among the States. That provision grew out of disputes among the Colonies prior to the adoption of the Constitution following the conclusion of the Revolutionary War, during that interim period when many of the States engaged in quarrels among themselves concerning the regulation of commerce among the States and Colonies and the navigation of or control of the navigation of rivers.

I recall that the Legislature of New York, for instance, adopted a measure prohibiting the importation of firewood from Connecticut in order to compel the people of New York to burn their own

wood, and they also passed a law prohibiting the importation of vegetables from Maryland and Virginia in the interest of home industries, and the States of Maryland and Virginia became involved in an acute quarrel over the navigation of the Potomac River, and came almost to armed conflict over it. The result was that there was held a conference in Annapolis to try to adjust that difference between Virginia and Maryland, and that little conference resulted in the Convention in Philadelphia which wrote the Constitution of the United States, and having in view the experience of the States prior to its adoption, the authors of that document wrote into it the provision which gives to Congress the power to regulate commerce among the States.

Congress did not exercise that power for 100 years, for while the Constitution was written in 1787, the first act to regulate commerce was passed in 1887.

I think we have all come to realize that in the complications of modern life there is of necessity a growing tendency, which has taken on, it seems to me, the attitude of compulsion, that as the years go by the Federal Government must deal constantly more and more with problems which are national. It would be inconceivable that two States in the American Union should be allowed to quarrel over the navigation of a river, or that one State should be allowed to prevent the importation into its boundaries of commercial articles from another State. So that when Congress finally decided that the time had come when we should inaugurate commerce among the States by the navigation or the improvement of the navigation of our rivers, which had been provided for by the commerce clause of the Constitution, we first dealt with the question purely from the standpoint of navigation, deepening the channels and improving the harbors, so that more ships could come into our ports and go out of our ports in the commercial activities of the growing Nation. When that policy was first adopted very little attention was paid to flood control or to electric power. These things were incidental for a long time until the passage of the Federal Power Act, which made no provision whatever for any power that might be generated by dams constructed for navigation purposes.

As the electric age advanced and electricity became a more important factor in our industrial and social life, we began to recognize the fact that while we were building dams for navigation purposes we might as well take care of whatever incidental power might be created by the construction of the dams while under construction. That saved expense both on the part of the Federal Government and on the part of private individuals who desired to embark upon the construction and operation of dams. The two things had to be coordinated, because it would have been unwise if not foolish to have the Federal Government building dams across rivers purely for navigation purposes and then have other dams built in the same vicinity for power purposes or for flood control. So gradually we came to coordinate navigation,

electric power, and flood control in the development of our policy toward the improvement of our navigable streams.

I have no quarrel, and I have never had any quarrel, with honest industry of any kind. I have no desire to do it any injustice; and I do not believe that my record in the Senate and in the other body over a period of years would justify any complaint that I have ever attempted to do an injustice to business of any kind, especially if it is honest business. I do not think it is possible to do an injustice to dishonest business. If it is dishonest, the only just thing is to curb it. I believe in honest business; and if I know what we are talking about when we talk about free enterprise; I believe in that.

I have not yet heard an exact definition of free enterprise. I do not know where to draw the line between freedom and slavery as applied to enterprise. I do not believe in the freedom of any kind of enterprise, big or little, to do as it pleases, to drive out competition, and to engage in unfair practices. As business has become Nation-wide in its complications and ramifications, we have found it more and more necessary to regulate it by the only power which the Constitution recognizes as having the authority and jurisdiction to regulate commerce among the States; namely, the Congress of the United States.

Our rivers were not made by us. They were not made by any corporation. They were not made by any private enterprise, free or otherwise. Those rivers constitute a part of the great body of natural resources which belong to the American people, and they ought to be developed for the benefit of the American people. If no one, aside from the Government of the United States, has either the power, the financial strength, or the inclination to develop them for the use and service of the American people, I do not choke at any reasonable measure designed to harness those forces of nature for the benefit of the American people.

We know that the development of our resources on a comprehensive scale is a tremendous problem. It has never been undertaken by private enterprise on a very comprehensive scale, and in the very nature of things it could not be. If we had relied upon private enterprise, free or otherwise, Boulder Dam would not have been constructed for the benefit of the people of California and the other States in the Colorado River Basin. That dam was constructed long before Mr. Ickes became Secretary of the Interior. The policies laid down by the Federal Government for the control of the waters of the Colorado River by the construction of the Boulder Dam were laid down by the Congress of the United States long before Mr. Ickes was ever connected with the Federal Government.

If we had relied altogether on private enterprise the Roosevelt Dam would never have been constructed. As I recall that dam was built even before 1912, when Mr. Ickes was a Republican, or a Progressive. At least he was a follower of Theodore Roosevelt. That dam was built in the administration of Theodore

Roosevelt, and was named after Theodore Roosevelt. The law governing the disposition of its resources was laid down by Congress when Mr. Ickes was a follower of Theodore Roosevelt, and not of Franklin D. Roosevelt. I mention these facts because Mr. Ickes' letter seems to have formed the basis of a large part of the speech of the Senator from North Carolina [Mr. BAILEY]. A moment ago I referred to the fact that the Senator had been compelled to leave the Chamber. I am glad to see that he has now returned to the Chamber. The Roosevelt Dam was constructed long before Mr. Ickes had anything to do with the Government of the United States, and the policy was laid down by the Congress of the United States before I ever heard of Mr. Ickes, and before he supported Theodore Roosevelt in the Bull Moose campaign of 1912.

If we had relied upon private enterprise alone, the Grand Coulee Dam and the Bonneville Dam would never have been built, and the Tennessee Valley would never have begun its development. There was an application by a private concern to build a dam on the Tennessee River near the Kentucky-Tennessee line. There was grave doubt in the minds of those familiar with the project as to whether even that one dam would ever be built by that private corporation. It was never even begun; and when the Tennessee Valley Authority was created, not having any desire to have divided authority in the Tennessee Valley, with the Government building some of the dams and private corporations building others, the Tennessee Valley Authority entered into an agreement with this private corporation, which had never started construction of the dam, although it had made some surveys as to where it ought to be built. Finally the T. V. A. had to move it down the river several miles in order to find an appropriate place to construct what is now the Kentucky Dam on the Tennessee River, which is the largest and last dam in the Tennessee Valley, and is now nearing completion.

So if we had been required, in order to develop a water-power policy to harness the great resources of our rivers—and they are just as much natural resources as coal and iron, or the soil itself—such development never would have been realized.

We have not relied altogether on private enterprise to develop our country. We did not rely to any great extent on private enterprise to create a farm program for the benefit of the farmers of the United States. We have not relied on private enterprise to start in motion the conservation of our soil in order that we may not hand down to generations yet unborn a nation so impoverished that they cannot make a living upon the land.

We have not relied on private enterprise to deliver mail over this country. The delivery of mail is not a natural resource. The Post Office Department is simply a department of government, but it is not a natural resource. Our rivers are natural resources. The Post Office Department belongs to the people



because Congress has created it for the benefit of the people; but the rivers belong to the people without any act of Congress. They are by nature the inheritance of the people, and the people have a right to expect their Government to develop them for the use and benefit of all the people.

So while I am as much in favor of free enterprise as is anyone else, if I know what free enterprise is, I am not in favor of making it so free that it will be free to do nothing, or free to do anything it may see fit to do in order to carry out its own program.

I am not saying that in criticism. The Senator from North Carolina has referred to private power companies. I have no quarrel with them. A few years ago the State of Kentucky came under the blighting influence of the Insull institution, to which the Senator referred, and out of the debacle of the Insull empire came the Kentucky Utilities Co., which now serves many cities in Kentucky, but it is completely separate from the former Insull enterprises and enjoys its own corporate existence at this time. By the way, it has entered into contracts with the Tennessee Valley Authority for the use of power generated by the Tennessee Valley Authority. There has been no serious quarrel between the Tennessee Valley Authority and the Kentucky Utilities Co., because it has been willing to take power from the Tennessee Valley Authority, and is taking power from it, for the benefit of the consumers of electricity in the various cities where it furnishes power.

The policy which has been in progress ever since 1906 has been one by which Congress has made an effort to coordinate the improvement of our river valleys and the resources which may be developed by improvement, for the benefit of industry and agriculture and also of the private consumers of electric power. Under the bill as it has been reported by the committee—I do not recall whether the pending amendment was offered in the committee; I am not a member of the committee—

Mr. BAILEY. Mr. President, it was offered in the committee after the bill had been reported. I was absent when the original amendment came up. My amendment was authorized by a vote of 9 to 3 to be reported as the committee amendment.

Mr. BARKLEY. Very well. I was not clear about what happened in the subcommittee.

Mr. BAILEY. I think the chairman of the subcommittee may make a statement about that.

Mr. BARKLEY. The provision in the bill which was originally framed by the committee is identical with the amendment offered by the Senator from North Carolina, down to the word "cooperatives," in the last line on page 4. In order that we may understand the difference between what it provides and what is provided by the amendment the Senator from North Carolina has offered, I shall take the liberty of reading the entire section:

SEC. 5. Electric power and energy generated at reservoir projects under the control of the

War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

Then it goes on, and provides—

The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

The Senator from North Carolina proposes to strike out all of line 25 on page 4, and down to and including line 7 on page 5, and to insert the following:

The sale of such electric power as may be generated at reservoir projects shall be made at the point of production, without special privilege or discrimination, so as to provide for the complete coordination of such power and energy with other power developments, both private and public, in the area, contiguous with such projects. It shall be stipulated in connection with any sale that any and all savings realized by the purchasers shall be passed on under Federal regulation where no State regulation exists to the consuming public: *Provided*, That unless 90 percent of the firm power produced at such projects shall be demanded or purchased within 3 years after completion of construction of such projects, the Secretary of the Interior is authorized to construct transmission lines for the purpose of selling such power at wholesale.

Mr. President, I am assuming that these dams must be constructed in order to accomplish flood control, which is the object of the bill. I do not agree with the statement of the Senator from North Carolina that in the construction of the dams and improvements in order to provide simultaneously for the possibility of the use of power and the prevention or control of floods the cost will be greater than the original cost of the flood-control project itself would have been.

Mr. BAILEY. Mr. President, let me interrupt the Senator from Kentucky, please.

Mr. BARKLEY. I yield.

Mr. BAILEY. It has been stated by the engineers, I believe, that a dam 100 feet high, for instance, can be built for flood-control purposes, but that if power is desired, and especially if primary power is desired—I am sure the Senator knows what I mean by that expression; I refer to constant power or what is otherwise known as primary power—a higher dam must be built. Sometimes the dam must be built 30 feet or 40 feet or even 50 feet higher. The engineers do not hesitate to say that they are building the dams higher in order to be sure of obtaining primary power. It is not done in order to be sure of having flood control.

Mr. BARKLEY. I appreciate the fact that in order to obtain power it is neces-

sary to build some of the dams higher than they would be built merely for the purpose of flood control. But the adding of 30 or 40 feet to a 100-foot dam certainly would not cost as much as the original dam would cost, for the foundations would already have been built.

Mr. BAILEY. I myself would not say that. But if the Senator will look into the matter he will find that we used very moderate figures by way of illustration.

Mr. BARKLEY. I understood the Senator to say that the construction of the dams for power purposes could cost twice as much as their construction for flood-control purposes would cost.

Mr. BAILEY. That is true in some instances.

Mr. BARKLEY. It may be true in some instances, but I do not think it can generally be maintained that the construction of dams for power purposes would cost twice as much as would their construction for flood-control purposes only, although I grant that in some instances that may be so. Of course, we are dealing with the situation as a whole.

Mr. SHIPSTEAD. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Kentucky yield to the Senator from Minnesota?

Mr. BARKLEY. I yield.

Mr. SHIPSTEAD. Of course, if a dam is built higher in order to yield power, it will yield an income.

Mr. BARKLEY. Oh, yes.

Mr. SHIPSTEAD. If it is built merely for flood-control purposes, there will be no income, although of course there will be the possibility of prevention of destruction by floods or the flow of water.

Mr. BARKLEY. Of course, the building of a dam higher than is necessary for flood-control purposes may result in many incidental benefits. For instance, the higher the dam, the larger the lake of water impounded, and such a lake may be used for navigation or in some instances for irrigation and reclamation, and in other instances it may be used for recreation.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. I should like to suggest to the Senator from Kentucky that the statement he has just made is not always true. It may be true in certain instances. I should like to cite an instance which occurred in Missouri, not at a Government-owned dam or a Government-owned reservoir but at a privately owned dam. A very high dam had been built for power purposes. It was operated for power purposes rather than for flood-control purposes. Because it was operated for power purposes the reservoir was permitted to be filled with water so as to make a great lake. Then we had some very unusually heavy rains in Missouri. Because the reservoir had been filled for power purposes, a 12-foot head of water was permitted to go down the Osage River. It caused tremendous damage not only on the lower Missouri River but also on the Mississippi River, and even as far along as at

the Senator's home town of Paducah, and as far as Cairo.

Mr. BARKLEY. Let me inquire where that dam is located.

Mr. CLARK of Missouri. The dam is at Bagnell, Mo., on the Osage River.

Mr. BARKLEY. Then the water did not pass my town, because my town is on the Ohio River.

Mr. CLARK of Missouri. But the result was to back up the water in the Ohio River.

Mr. BARKLEY. Of course, a rise in the level of the water in the Mississippi retards the flow of water in the Ohio River.

Mr. CLARK of Missouri. Very well. That is exactly what I am trying to tell the Senator. It not only caused damage on the Osage, on the Missouri, and on the Mississippi, but I have been informed that it backed a great deal of water up on the Ohio River.

Mr. BARKLEY. That may be true.

Mr. CLARK of Missouri. That was not a Government-owned dam. I am not suggesting that it was. It was a privately owned dam, operated for power purposes instead of for flood control. It is my intention at the proper time to offer an amendment to the pending bill to put both publicly owned and privately owned dams under the control of the Corps of Engineers of the Army to the end that the dams shall be properly supervised.

Mr. BARKLEY. I have no doubt that there are isolated instances of the construction of a dam resulting in damaging the property of many persons.

Mr. CLARK of Missouri. That very thing occurred in connection with a publicly owned dam.

Mr. BARKLEY. I am saying that by and large, whether the dam be built for flood control, navigation, or power, the program carries with it incidental benefits.

Mr. CLARK of Missouri. Yes; incidental benefits and incidental injuries.

Mr. BARKLEY. Which may not be the primary object of the construction of the dam.

Mr. CLARK of Missouri. Exactly the same thing has occurred elsewhere. I have been informed that it occurred with reference to the so-called Pensacola Dam in Oklahoma, which was a publicly owned dam operated by the Interior Department.

Mr. BARKLEY. I do not contend that any law passed by Congress may not ultimately do someone an injury. I do not suppose there is a Federal statute on the books which cannot now and then be administered in such a way as to do someone an injustice. I am speaking about the program as a whole.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHEELER. The fact that a dam is built does not necessarily mean that it is built for power purposes. The dams under consideration are to be built for flood control. If the water backs up behind a certain dam and some of it can be used for power purposes, or for irrigation, or reclamation, then it will be used for such purpose. I do not under-

stand that all the dams to be constructed are to be used for power purposes.

Mr. BARKLEY. That is the point I have tried to make. The dams will be built, anyway. It would be ridiculous to build a dam purely for flood control or navigation and not equip it for all incidental benefits, such as the utilization of water for power, reclamation, and irrigation. In other words, it would be stupid to indulge in the expense of building a dam for flood control and later build one for power, irrigation, or navigation.

Mr. WHEELER. Mr. President, I invite attention to the Fort Peck Dam. The dam was not built for power purposes. If it had been built for power purposes the engineers would probably have built a different type of dam. The dam was built for the purpose of flood control, navigation, irrigation, and whatever power could be obtained from it. The dam will not produce a tremendous amount of power. But those in charge of the construction of the dam did not say that it was to be built a certain height for power purposes. They merely said that whatever power could be developed from it would be developed and used for the purpose of attempting to bring into the area new enterprises, or for irrigation. If, as I have said, they had been building the dam for power purposes they would probably have built an entirely different type of dam, and would have built it much higher. So the cost of building the Fort Peck Dam for the development of power was comparatively small because only one turbine and a few items of that kind were installed. The cost of installing those items represented but a very small addition to the original cost of building the dam.

Mr. CLARK of Missouri. Mr. President, will the Senator from Kentucky yield to me in order that I may reply to the Senator from Montana?

Mr. BARKLEY. I yield.

Mr. CLARK of Missouri. I was a member of one of the first delegations which ever talked to the President about the Fort Peck Dam. As everyone recalls, authorization for construction of the dam was provided originally by Executive order, that is to say, as a part of the P. W. A. On three different occasions I was a member of delegations headed by the former Governor of Nebraska, Mr. Weaver. The late Senator Norris, of Nebraska, the senior Senator from Kansas [Mr. CAPPER], several other Senators, several Representatives, and I called on the President and had a talk with him. The first thing he asked us was whether the project would develop any power. I was not interested in the development of power. I was interested in flood control. I thought the Fort Peck Dam would be a great factor in the problem of flood control, and it has proved to be such. I was not even very much interested in navigation, because I thought flood control was the essential thing so far as we who lived down at the bottom of the valley were concerned.

As I have said, the President asked whether the dam at Fort Peck would develop power. Governor Weaver said that it would develop a certain amount of power, and that if the dam were built

high enough, it would develop a considerable quantity of power. But what we were all primarily interested in was flood control and navigation, and we were willing to take what we could get in the way of power. We had no disposition to oppose power development at Fort Peck but, because of being at the other end of the valley, we were interested in developing flood control and navigation. That was the basis on which the President proceeded. Doubtless, there was included in the project an understanding that a certain amount of power would be developed. So far as all of us at the other end of the valley were concerned, we would have been glad to have as large a dam as was needed for power purposes; but the primary purpose of the whole project, supported by the entire Missouri Valley, was flood control and navigation.

Mr. WHEELER. Mr. President, will the Senator further yield to me?

Mr. BARKLEY. I yield.

Mr. WHEELER. What the Senator from Missouri has said is correct. When Governor Weaver first came to Washington he came to my office and told me exactly what was being proposed with respect to Fort Peck. He asked me if I would be interested in doing anything to help promote the project. I asked him if we would be in position to obtain irrigation in the drought-stricken area of eastern Montana in the event the project should go through, and he said that we would be given such benefits. I told him that if we could obtain such benefits in Montana and North Dakota I would be in favor of the project.

I telephoned the President and made an appointment with him, and Governor Weaver and I saw the President of the United States. I think we were accompanied by someone from the Omaha Chamber of Commerce. At that time the President told me that he would authorize the construction of the Fort Peck Dam. One of the reasons, of course, why he was anxious at that time to build it was the exceedingly high rate of unemployment throughout the country. The project which we proposed was ready to go ahead. Senators from States in the lower part of the valley were interested in the project because of navigation and flood control; but Senators from Montana and North Dakota were interested in it primarily because it would furnish power in their States, and if in an incidental way the project would aid in navigation and flood control we wanted to help in its promotion. But our primary interest was in the development of cheap power, and, perhaps irrigation.

Mr. CLARK of Missouri. The Senator will agree that while we all cooperated in the matter we cooperated from different motives.

Mr. WHEELER. Exactly.

Mr. CLARK of Missouri. The primary consideration of the President was the condition of unemployment throughout the country.

Mr. WHEELER. Yes.

Mr. CLARK of Missouri. Those of us living below the dam were primarily interested in flood control and navigation.

Mr. WHEELER. Yes.



Mr. CLARK of Missouri. The Senator from Montana was undoubtedly interested in the development of power. We did not care how high the dam was to be built so long as we were afforded a means of controlling floods and supplying water for navigation.

Mr. WHEELER. The best evidence of what the President had in mind was the fact that when the dam was built the engineers installed a turbine and power plant. That was the best evidence of what was in the minds of the administration when the dam was built. Provision was made to install the turbine, and also the power plant, both of which are in operation today.

Mr. CLARK of Missouri. Mr. President, I hesitate to interrupt the Senator from Kentucky any further except for just one statement, and that is that if the P. W. A. had started to build the Fort Peck Dam originally before a congressional act and had desired to make a power dam out of it, none of the supporters of the Fort Peck experiment or project would have objected to it. The administration did not choose to do it, but it was not because of any objection from any quarter that I ever heard of.

Mr. WHEELER. I do not understand the Senator's allusion. The administration did not choose to do what?

Mr. CLARK of Missouri. To build a power dam.

Mr. WHEELER. But the administration put in a turbine and a power plant, and that power plant is in existence today, and is selling power to the Montana Power Co. at the present time at the bus-bar.

Mr. BARKLEY. Mr. President, I do not wish to go into the details of any one particular dam.

Mr. WHEELER. Mr. President, I simply want to call the Senator's attention to the fact that at each one of the dams which are to be built some power can be developed whether the dams are built for flood control, or for navigation, or for other purposes.

Mr. BARKLEY. That is undoubtedly true.

Mr. WHEELER. It seems perfectly ridiculous when we are going to build a dam where there is some potential power that that power should not be developed and the people of the country get some benefit by selling it or where it can be used for irrigation that they should not get irrigation.

Mr. BARKLEY. I thoroughly agree with the Senator, and that has been my position ever since I have been a member of the Congress.

I was discussing what I believe to be the fact that equipping these dams to produce power, whether they are originally designed for flood control or navigation, will not increase the cost of the dams anything like as much as it would later cost to build a separate dam for the purpose of producing power.

Mr. MURRAY. Mr. President, I might interject there that the extra cost of building the power features of the Fort Peck Dam was represented by the cost of the turbines only. The same dam was there and it only required the extra expense of installing the turbines.

Mr. BARKLEY. Take the Kentucky Dam on the Tennessee Valley project at Gilbertsville, Ky. At that dam locks and dams were built for the purpose of navigation, but at the same time there were built the sluices through which the water runs and the turbines for the creation of power. That was all a simultaneous performance. Merely from my layman's knowledge I would not be able to allocate how much of that cost would go into the construction of turbines and how much into the sluices; but it was all a simultaneous operation; and it would have been stupid for the Government to have gone there and built a navigation dam or a flood-control dam and not have equipped it with facilities for producing power at the same time.

Furthermore, if the Government is to start out and build dams for navigation or flood control and make no provision whatever for the creation of power it is extremely doubtful whether any private enterprise will ever undertake the job of building a dam on a river in a given locality solely for the production of power. It is therefore economy on the part of the people, who, after all, have got to pay the cost either in taxes or in charges for electric power, to construct these dams all in one enterprise simultaneously, so that whatever may be the use to which they may be put, whether navigation, power, or flood control, they may be available to be used for that purpose without repeating the expense and the energy necessary to build another dam.

It is my honest opinion that if we now reverse our course, if we reverse our policy, as this amendment seeks to do in a way—not completely, but it goes a long way in the direction of reversing our course—if we are to limit our construction of dams either to flood control or navigation without regard to any power possibilities it will be a long time before the people of the regions affected will have an opportunity to use any power that might be generated by the construction of dams on the rivers we are talking about.

I am not unconcerned, I will say to the Senator from North Carolina, about the question of expense. I know how easy it is for us to become pessimistic about the national debt and about our governmental expenditures. I am not indifferent at all to that phase of our public economy. We are now paying in taxes into the Treasury of the United States about \$45,000,000,000 a year; we will pay into the Treasury of the United States this year about \$45,000,000,000, which is approximately one-half of the cost of the war for the year. A few years ago that would have seemed like an incredible sum of money to raise in taxes from the American people. It is more by several billion dollars than all the American people earned a few years ago in a whole year's activity. That gives no excuse for extravagance; it gives no excuse or basis for taking an optimistic view that we can continue to pile up our debt or our taxes without regard to our domestic economy, and I do not advocate any such thing; but I believe that when this war is over and we are able to assess

our obligations and charge off everything that is a war expense and recover everything we can recover out of the expense we have already incurred we will be able to reduce our annual tax obligations anywhere from 40 to 50 percent. I believe, instead of paying in \$45,000,000,000 a year in taxes, as we are now doing, if we can build a sound economy, if we can build an economy that will give a job to every man who wants a job at reasonable wages and hold out a reasonable hope to every man who has money to invest that he can reap a reasonable profit from his investment, the demand upon our capital and upon our labor and our inventive genius will enable us to maintain an annual income among the American people of anywhere from \$125,000,000,000 to \$150,000,000,000, and even greater than that as we develop further our resources, increase our industrial activity, and receive additional benefit from our inventive genius. We may reduce our tax bill, without in any way being niggardly in regard to our obligations to our soldiers, our enterprises and our people, between \$22,000,000,000 and \$25,000,000,000 a year.

I realize that that is an enormous amount compared to the cost of our Government 15 or 20 years ago, but we are making that investment in order that we may enjoy our liberty and our independence as a nation. We could have avoided all this expense if we had been willing to take the chance of seeing our way of life and our democracy and our institutions go by the board; we were not willing to do that; we are pouring out our treasure and our blood and our lives in order that we may preserve them. I believe that, with the exercise of wisdom and with cooperation between government and business and agriculture and all classes of our people, we shall be able to build and maintain a sound economy in this country which will justify a reduction of our taxes without doing injustice to any group or person to whom we may be under obligation in the post-war period.

The effect of this amendment will be that wherever there is any power created by the construction of any of these dams it must be sold at the point of production. Nobody can build a transmission line to use the power unless it be a private enterprise or a corporation sufficiently large to indulge in that sort of expenditure. Under this amendment for 3 years at least the Government of the United States will not be allowed to build a transmission line, and even at the end of the 3-year period it could not build one if 90 percent of the power was being purchased.

Let us take a case where nobody could build a transmission line to the point of production, not even a community, a city, which desired to own its own electric plant. I have never been a confirmed advocate of municipal ownership in regard to public utilities, although I have always believed and now believe that when any city or town has the constitutional power to own its own municipal plant, and the people are willing to vote the necessary money to enable it to do it,

they have a right to do it and should be allowed to do it.

There are in the United States many cities the people of which do exercise the right to own their own municipal plants. That is a matter of local self-government. If they exercise that power, and vote in order to do it, they should not be denied the right to build a transmission line, if they desire, to the point of producing the power, in order that they may implement it with their own action in deciding to own their own electric plant.

Under the pending amendment they could not do that under any circumstances for 3 years, and they could not do it at the end of 3 years if any private enterprise had already contracted for 90 percent of the power; and no one could do that except a utility of some kind. No individual could do it, no municipality could do it, and nobody could do it except a power company itself within the 3-year period, and if within that 3-year period it had bought up 90 percent of the power, everyone else would be shut out.

In view of the fact that these rivers belong to the people, and that, by the Constitution of the United States, the power was reserved in the Congress to regulate them, I do not believe the people of any community, or that any private citizen who might be interested, should be denied the equal opportunity to buy the power, which might be a denial perpetually, because as long as 90 percent of the power was bought, no one else would have any right to it, nobody else could build a transmission line, even the Government itself could not build one.

Mr. AIKEN. Mr. President, will the Senator yield so that I may give an example of the effect of the operation of the amendment on a specific project?

Mr. BARKLEY. Yes; I am glad to yield.

Mr. AIKEN. If the amendment should be agreed to, the only possible customer for St. Lawrence power on this side of the St. Lawrence River would be the Niagara-Hudson Power Co., in spite of the fact that under the bill, public power companies and cooperatives are given first chance to buy the power. As a matter of fact, not more than 10 percent of that power is expected to be used by municipalities and cooperatives. The extent to which cooperatives would expand would depend upon the private utilities themselves and whether they were willing to deliver the power to unserved territory, or to territory now served, at a fair price.

Another effect of the amendment would be that the Niagara-Hudson Co. being the only possible customer for this power, the only possible purchaser, the rural areas in the center of New York State, at present unserved, would be unable to get the power except at a price at which the Niagara-Hudson Co. would be willing to resell it to them. In the meantime, if they got power from any source whatsoever at a high cost, they would be in the position of the private utilities underselling them, actually underselling a municipal plant, if operated at a loss, and eventually creating a condition

whereby the cooperatives and the municipalities and public systems might be finally forced to sell out to the private utilities.

The amendment means that not only would it put a stop to any expansion of cooperative distribution lines, but it means that undoubtedly many of them would be forced eventually to give up the ghost and go back to some private utility system, even in territories which the private companies absolutely refused to serve a few years ago.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. If it is a sound proposition for a cooperative within a reasonable distance of a Government plant to have a transmission line to that plant, why should it not be financed as a part of the cooperative? Why is it necessary to have the Government go into the general business of distribution of power?

Recently three cooperatives in Ohio, at my request, largely, and with my support, have borrowed from the R. E. A. over \$2,000,000 to buy a private electric distribution system. If the R. E. A. can lend them \$2,000,000 to buy such a system, why could they not lend them \$100,000, or a half million dollars, or whatever might be necessary, to build a transmission line to the power? In other words, should not the building of transmission lines be based on financing the particular cooperative, rather than made a general question of Government construction and distribution, wherever the Government may wish to go? Why is the Senator from Vermont correct in saying it would destroy them? Why could they not be financed through the R. E. A., if they want to build transmission lines?

Mr. BARKLEY. The inference to be drawn from the Senator's question is that while the Government itself should not build a transmission line, it should lend money to a cooperative in order to enable it to build it, all the money to come from the same source, which seems to me to be a rather inconsistent attitude.

Mr. TAFT. We do not base it on general discretion or deliberate permission by the Government, or building of new Government power projects, which, it seems to me, is going to result from a general policy of building transmission lines.

Mr. BARKLEY. The policy we are discussing, and which the amendment of the Senator from North Carolina seeks to reverse, is a policy we have adopted all along, insofar as the distribution of power is concerned. One of my objections to the amendment is that it automatically creates only one market, at the point of production, for the power, whatever it may be, and that restriction is limited to some concern which can build its own transmission line to the point of production. Unless there is such a concern in the community, then the power would go to waste for at least 3 years.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BARKLEY. In just a moment. If there is such an institution in a com-

munity, it would have a monopoly for 3 years in the ability to buy that power, and if at the end of the 3 years it was taking 90 percent, it would continue to have a monopoly, and no one else could move it. No one else could build a transmission line, and the Government could not build one.

Mr. TAFT. I suggest there is no discrimination, because we are backing the cooperative to such an extent that if a particular cooperative has a good case, if it is a reasonably safe proposition, the Government, through the R. E. A., can finance the building of a transmission line to that particular cooperative.

Mr. BARKLEY. I agree that if the cooperative had enough with which to build a transmission line from the point of production, it might be able to do so, provided the Authority did not discriminate against it in favor of some other private enterprise which was willing to take the power, although I realize the amendment says "without discrimination."

The point I make is that the Senator's inquiry shows that what he is willing to do is to take money out of the Treasury to lend to a cooperative with which to build a transmission line, but he is not willing, during the 3-year period, or any other period, if the private enterprise has bought 90 percent of the power, to permit the R. E. A. or anybody else to build a transmission line into the point of production, and be able to buy on equal terms with any other competitor.

Mr. AIKEN. I cannot conceive of a case in which we might have half a dozen transmission lines running to the same dam. The duplication of effort would certainly make the electric energy cost more for all consumers. I can conceive of a situation in some sections of the country where there might be 10 or 12 different cooperatives which could get together and build their own transmission line. But I would suggest to the Senator from Ohio that perhaps, after all, the final and proper solution of the existence of this duplication of transmission lines might be found in giving the transmission lines the status of common carriers. Then we would do away with the duplication of lines which is so expensive to customers all around.

Mr. BARKLEY. Mr. President, I have already taken more time than I had intended to consume. For the reasons I have stated, I hope the amendment will not be accepted by the Senate.

Mr. OVERTON. Mr. President, I think it perhaps will be somewhat helpful to a consideration of the so-called Bailey amendment, which is in reality a committee amendment, if I should undertake to give the history of the amendment and show what is really in controversy as between the Bureau of Reclamation and the proposal submitted by the Senator from North Carolina.

When this matter first came before the Committee on Commerce it came by way of an amendment suggested by the Secretary of the Interior. The amendment he suggested is in line with the amendment proposed by the Senator from North Carolina [Mr. BAILEY] with the exception of the concluding sentence of



the Bailey amendment. On page 2, lines 11 to 25, down to the word "cooperatives" there is really no controversy as between the Bailey amendment and the proposal of the Department of the Interior. I shall read it. It is very short. This is the provision concerning which, as I understand, there is no controversy:

Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Preference in the sale of such power and energy shall be given to public bodies and cooperatives.

When the Secretary of the Interior appeared before the committee he suggested as a part of his amendment these concluding lines, and they relate to what is now in controversy before the Senate. I quote from page 311 of the hearings on the flood-control bill:

The Secretary of the Interior is authorized to construct and acquire such transmission lines and facilities and to enter into such contracts, agreements, and arrangements as he deems necessary to carry out the duties and responsibilities herein conferred upon him.

Therefore the suggestion of the Secretary of the Interior was that he should be vested with untrammelled and unqualified power to construct and operate transmission lines from all dams constructed by the War Department.

A similar proposal has been made by the Secretary of the Interior to the river and harbor bill. When the river and harbor bill was considered by the Senate Commerce Committee, the committee inserted in lieu of what the Secretary of the Interior had recommended the following:

*Provided*, That the Secretary of the Interior is not authorized to construct or acquire transmission lines in competition, direct or indirect, with any existing company operating transmission lines for the sale of electric power; except as otherwise authorized by other sections of this act relating to Umatilla Dam and the Snake River project.

Therefore the committee amendment in the river and harbor bill, which was the first one acted upon by the committee and the first bill reported to the Senate, in the proviso prohibited the Secretary of the Interior from constructing or acquiring transmission lines which would come in competition, direct or indirect, with privately owned power companies.

After the river and harbor bill had been reported, the Secretary of the Interior, I understood and was advised, objected very strenuously to the proviso which has been inserted by the committee, which prohibited the construction by him of transmission lines which would directly or indirectly compete with existing companies. In an attempt to reconcile the differences between the committee view and the view of the Secretary of the Interior, I called to my office

Mr. Goldschmidt. He is Director of the Division of Power of the Department of the Interior. He was therefore the ranking officer in the Department of the Interior in relation to the distribution of power from any and all dams. According to the testimony which will be found on pages 803, 804, and 805 of the record of the hearings, it was shown that he and I had gotten together with the view of trying to compose the differences which existed, and he then drafted an amendment which he submitted and which I shall read to the Senate. The amendment which Mr. Goldschmidt proposed was:

*Provided*, That the Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Exception then being made in reference to the Bonneville and Umatilla Dams, which has no application to this argument. That was the proposal made by the Director of the Division of Power in the Department of the Interior. I assume, without knowing it, that the Director of the Division of Power would hardly have submitted such an amendment without the approval of the Secretary of the Interior.

When, therefore, we came to consider the flood-control bill, Mr. Goldschmidt having appeared before the full committee, and made his statement and given the reasons why he thought there ought to be a modification of the amendment contained in the river and harbor bill, there was inserted in the flood-control bill the amendment suggested by the Department of the Interior through the Director of the Division of Power. It reads exactly as it was submitted by Mr. Goldschmidt. It now appears in the printed copy of the flood-control bill as it comes from the Committee on Commerce, as follows:

The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

That was the provision reported by the Committee on Commerce.

Mr. WHEELER. Madam President, will the Senator yield?

The PRESIDING OFFICER (Mrs. CARAWAY in the chair). Does the Senator from Louisiana yield to the Senator from Montana?

Mr. OVERTON. I yield.

Mr. WHEELER. Am I to understand that the Interior Department is dissatisfied with that provision?

Mr. OVERTON. I do not understand that it is dissatisfied with it.

Mr. CLARK of Missouri. Madam President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. CLARK of Missouri. The Senator will recall, of course, that when this subject was originally considered by the subcommittee of the Committee on Commerce of which the distinguished Senator is chairman, several questions were injected into both the flood-control bill and the river-and-harbor bill. The suggestion was seriously advanced by a distinguished member of the committee, namely, the distinguished Senator from Nevada [Mr. McCARRAN], in response to a question from me, that the Bureau of Reclamation of the Interior Department should have jurisdiction of the Coosa, Ala., project, which is at least 800 miles from the nearest reclamation project. In other words, it is an effort of the Interior Department to grab jurisdiction of things with which it has nothing whatever to do.

Mr. OVERTON. I am undertaking to give the history of the amendment, which I think will clarify the atmosphere.

In response to the question of the Senator from Montana, let me say that Mr. Ickes appeared before the committee in the flood-control hearings, after we had reported the river and harbor bill, which prohibited him from building any transmission lines which would compete directly or indirectly with existing companies. I read from a portion of the statement of Secretary Ickes, to be found on page 461 of the flood-control hearings:

Your committee reported out an amendment to the river and harbor bill which incorporated the essentials of the policy to which I refer except for a proviso limiting the construction or acquisition of transmission lines. You can be certain that I deeply appreciate your action in so doing. However, I think that the restrictive proviso might well have been omitted. The reference to "indirect" as well as "direct" competition with any existing company operating transmission lines opens up a vast field for the exercise of the fertile minds of those who not only oppose Government transmission lines, but believe that the power resulting from Federal expenditures for water-resource conservation should be disposed of in a way that will permit the gleaming of as large a private profit as possible between the reservoir and the ultimate consumer.

Therefore the only objection that Mr. Ickes urged, as I recall his testimony, was as to the proviso which prohibited any indirect competition by the Bureau of Reclamation in the construction of transmission lines. Presumably, I take it, to be perfectly fair, he objected as well to the provision with respect to direct competition. However, apparently he is satisfied with the amendment originally proposed by the Committee on Commerce, which I read to the Senate a few moments ago.

The other day we held a meeting of the Committee on Commerce, called by its distinguished chairman. He expressed his dissatisfaction with the provision in respect to power as contained in the bill reported by the Committee on Commerce, and stated his reasons, very much as he has done upon the floor of the Senate. The Committee on Commerce decided, by a very large majority, to recommend the amendment suggested by the chairman of the committee.

That is the history of the matter, and shows exactly what is in controversy. I should like to make a further observation. Personally, so far as I am concerned, I wish that it had not been necessary to incorporate any irrigation or power provision in the flood-control bill or in the river and harbor bill. I wish that those two bills could have been limited, as they have been traditionally and historically limited, to the mere authorization of projects. After the projects have been authorized, if any hydroelectric energy is created, some other committee, in connection with some other bill, should determine just how the Bureau of Reclamation should handle the power. However, the baby was placed squarely on the lap of the Committee on Commerce. We had to do something about it, and we did the best we could. That is my whole attitude toward the question.

In this connection, let me make one further observation. If by chance the so-called Bailey amendment, or the committee amendment as modified, is defeated, I shall offer the committee amendment as presently contained in the bill, and as originally recommended by the Committee on Commerce. In order that there may be no mistake about that, let me read it:

The Secretary of the Interior is authorized to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. ELLENDER. Madam President, will my colleague yield to me?

Mr. OVERTON. I yield.

Mr. ELLENDER. As I understand, section 5 was originally drafted by the committee and voted upon by the committee as reported to the Senate. I am wondering what caused the committee to change its attitude and adopt the Bailey amendment.

Mr. OVERTON. The arguments presented by the Senator from North Carolina.

Mr. McCLELLAN. Madam President, upon a first reading of the pending amendment I was inclined to give it favorable consideration and possibly my support. However, upon further study of it, and considering the changes it makes in the original committee amendment as printed in the bill, I have concluded that in its practical operation and administration the harm and violence which it would do to the program would be greater than the benefits which it would confer.

I think there are two extremes regarding this power controversy. I recognize on the part of the private utilities, or at least some of them, a policy or a desire, I would say first, to prevent the construction by the Federal Government of hydroelectric power dams. I think in many cases, and with respect to many of our power utilities, they would prefer not to see any dams at all constructed on our streams, ex-

cept possibly for the purpose of flood control. In other words they oppose the construction of multiple-purpose dams. Then, if such dams are to be constructed, I think some of them are prompted by selfish desires that they shall have the advantages and the benefits which those projects might afford to them by providing cheap power which they might acquire, through purchase, because in many places and in most instances they are already equipped with the facilities for distribution, and they would like to have all the benefit of what the Government has provided, and would like to make distribution of it, at a very fine profit to themselves. That is one extreme. It would afford a monopoly on the part of private industry, on the part of free enterprise, which would be at the expense of the taxpayers of the Nation and at the expense of the full development of our natural resources and the benefits which can be derived from the construction of multiple-purpose dams.

On the other hand, I recognize that there are forces or influences, possibly on the part of some governmental agencies, certainly on the part of some who are strong advocates of public power, which would like to carry this program so far as ultimately to destroy all private utilities, and thus to put the Government exclusively into the business of power generation and distribution.

I think those are the two extremes. I do not believe either course is safe or wise for our Government to follow.

Reference has been made today, I believe, by the senior Senator from North Carolina [Mr. BAILEY], to the abuses which were committed by, and the evils which attended, private utility companies in years past. Reference was made by him, I believe, to the action of Congress some few years ago, at a time when I was a Member of the House of Representatives, in passing the Holding Company Act. I supported that bill, with a view to eradicating or correcting an evil practice or an evil situation which had developed in the power industry.

There are possibly other abuses which should be abolished and practices that should be regulated or controlled. But I do not go so far as to follow those who would use the governmental powers to the extent of destroying private enterprise or, to be more specific, of putting out of business the utility companies which are established and which are rendering a worth-while and an indispensable service in that field of endeavor. I think there is room in this country and in our industry for both the Government and private enterprise to operate within their respective spheres of influences and obligations in the generation and distribution of power.

The amendment originally adopted by the Senate Commerce Committee, and as printed in the bill, I think comes about as near being fair to both the utilities and the Government as any provision which has yet been developed or proposed does. I call attention to the part of it by which the Secretary of the Interior is authorized "to construct and

acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies."

In my judgment, if that provision were enacted and were properly administered, there would be no discrimination. No particular advantage would be given to one over another—for instance, to private enterprise over cooperatives or over public bodies. Certainly the provision is broad enough in its terms to permit the exercise of honest and sound discretion.

The real test of this section or provision would be determined by the character of administration which would be applied to it.

There is just one thing which I should like to add to the amendment originally proposed by the Committee on Commerce. I should like to see a portion of the Bailey amendment incorporated as an amendment to the committee amendment, to follow on line 7, after the word "companies." I should like to see this much of the Bailey amendment adopted as an amendment to the committee amendment as originally proposed—I quote from the Bailey amendment on page 3 in line 2:

It shall be stipulated in connection with any sale that any and all savings realized by the purchasers shall be passed on under Federal regulation where no State regulation exists, to the consuming public.

I believe that to be a sound and wise provision which should be incorporated in any proposal establishing a policy with reference to the sale and distribution of power produced by hydroelectric dams. Certainly no private utility should be permitted to buy power at a price at which the Government can afford to sell it, and then distribute it at retail on the basis of what it may cost such private utility to produce the power through other means. In other words, if the cost to the private utility of producing power is 3 cents or 3 mills a kilowatt, or whatever the cost may be, and it is able to acquire power at wholesale prices from the Government-operated facility at half what it would cost the private utility to produce it, such benefit should be passed on to the ultimate consumer and the private utility should not be permitted to make a profit on the cost of the production of this power. It should be permitted to make a fair profit in connection with the distribution of the power.

I think the amendment would add an additional and desirable safeguard to the originally proposed committee amendment.

I cannot subscribe to or support the last paragraph or provision of the Bailey amendment. I agree with those who have interpreted the amendment and concluded that it would merely place power at the disposal of the private utility, and give it the advantage of such power for the first 3 years. If the private utility exercised the advantage within the 3-year period, and contracted for at least 90 percent of the power, it



would then have a continuous advantage so long as the contract remained in force. I see no sound reason for allowing a 3-year period of time.

In the course of the construction of the various projects, information will be available as to what the approximate capacity of each project will be, what the output of electric energy will be at the plant, and so forth. It would require from 2 to 3 years to construct those facilities, and during that period of time the private utilities would have the opportunity of making a contract and extending their lines. Usually they would already have extended their lines to the project in order to supply the power necessarily used in its construction.

I believe that an undue advantage would be given to the private utilities by the adoption of the proposed amendment. We can easily see what the effect of it would be. I believe the utilities are now entitled to the advantages which they would receive by reason of their present position, and by reason of their ability to move quickly and construct power lines. A power line might have been previously constructed to the facility. The utilities might be in position to contract quickly and acquire control of the power before public bodies such as co-operatives could bid for power, make a contract for it, and participate in the utilization of it. I see no sound reason why the Government should not be authorized to build a distribution line, a wholesale line, to some cooperative or to three or four cooperatives, or to some public body or municipality, if necessary, in order to insure a fair and equitable distribution of the benefits to the consuming public.

In many cases the utilities would be in better position to make distribution of the power. They would already be equipped, and it would not be necessary for them to build transmission lines. However, I believe the opportunity which may be granted to them should be safeguarded.

Mr. BURTON. Madam President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BURTON. I noticed during the course of the Senator's remarks that he said he saw no reason why distribution lines should not be built to reach the consumers. I am sure he was referring to transmission lines for wholesale and not retail consumption.

Mr. McCLELLAN. Yes.

Mr. BURTON. I believe that a transmission line is commonly regarded as one which carries power for wholesale distribution, and I understand that the Senator is contending that the distribution should be for wholesale and not retail consumption.

Mr. McCLELLAN. The Senator is correct. I thank the Senator for his statement.

Mr. HILL. Madam President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HILL. The original committee amendment, which the distinguished Senator from Louisiana says he will offer if the so-called Bailey amendment

is voted down, distinctly provides that the power generated at the various projects shall be sold only in wholesale quantities. So the present debate really has nothing to do with retail distribution.

Mr. McCLELLAN. I did not intend by my remarks to refer to retail distribution. I do not want to see the Federal Government go into the retail power business. I can understand, however, that there might be conditions under which the Government should perhaps build a transmission line in order to make power available. If the amendment of the senior Senator from North Carolina were adopted, and if there should be a serious controversy or disagreement between the private utilities and the Government as to price and other terms incidental to the purchase of power, I can foresee a period of perhaps 3 or 4 years after the dam had been constructed and power made available, when no one would receive any benefit from it. I believe the amendment of the senior Senator from North Carolina goes a little too far.

Mr. HILL. Madam President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HILL. Would not the amendment tend to put the Government at the mercy of the private power companies?

The Senator knows that power companies do not compete one with another over either the purchase or the distribution of power. They are tied together. For many practical reasons they should be tied together. One company in one watershed should be tied with another company in another watershed. When there is low water in one watershed, the power company in the other watershed should be in position to make up some of the deficiency in output of electric energy. But the companies do not all compete one with another. We wish to make sure that when a dam is constructed, whatever power company happens to be operating in that field shall not be able to dictate to the Government what it shall be paid for the power which the project furnishes.

Mr. McCLELLAN. That condition I can well foresee.

Mr. HILL. The Senator saw that very condition at the Wilson Dam, on the Tennessee River, when the Federal Government was compelled to sell power to the private power company there for a song, simply because there was nobody else who could come there and build a transmission line and compete with the private power company for the purchase of the power. The Government had to take just what the private power company was willing to give the Government.

Mr. McCLELLAN. That is one thing which I hope to see prevented by whatever policy we adopt. I say this to the Senator, however, on the other hand, I would not want to see the agencies of the Government which are entrusted with the responsibility of selling or distributing this power use the power of the Government arbitrarily just to destroy private enterprise for the very sake of putting the Government in the power business.

Mr. BAILEY. Madam President, will the Senator yield?

Mr. McCLELLAN. I gladly yield to the Senator.

Mr. BAILEY. What does the Senator expect, if my amendment should be defeated and the amendment originally in the bill should prevail, except an arbitrary use? That is my difficulty, and let me explain it.

Under the amendment first proposed, and now incorporated in the bill, but proposed to be stricken out by the so-called Bailey amendment, it is proposed that the Secretary of the Interior should be permitted to go to any city where there is a power company operating, selling power, transmitting electricity from one of these dams, and let that city buy it and abandon the power company. Repeat that often enough, and see what happens to the power companies. There would be Government monopoly.

Since this debate began I have been informed that there is one State in the Union in which no power company is operating, except in one city in the State, and that company is soon to be extinguished. Both the Senators from that State informed me of that fact. I did not know we had gotten that far. But having gotten that far in one State, if we take the amendment originally proposed, and which will be adopted in case my amendment should be defeated, we place ourselves exactly in that position.

I agree that if the Senator from Arkansas were to administer this matter we might have a different tale to tell, but I am confronted with the fact that the law is to be administered down the street here by the gentlemen and the agencies which have moved successfully to destroy all the power companies in one State, and which—and I hope I do not misjudge them—appear to me to be bound upon destroying them everywhere else in order that they may take them over. Yet the Senator seems to think that is a good proposition, and he is going to vote for the amendment on the ground that he thinks they will not act arbitrarily. They have always acted arbitrarily, and they will continue to act arbitrarily, and they will act arbitrarily by our authority.

Something has been said about getting the power to the local rural cooperatives. The senior Senator from Alabama has submitted an amendment to me which I am agreeing to accept—and I think that situation will be out of the picture when that amendment is adopted—providing that the Government can run transmission lines to a rural electric association if they have none, and they can borrow the money, or the Government can put up the money. I think that takes out of this argument the objection on the ground of the needs of the rural population.

The Senators from the State which they said had no electric private power company operating in the State are going to offer an amendment providing that my amendment shall not relate to their State. Of course, I shall accept that. What I am trying to do is to save

the existing private power companies from a hopeless and ruinous competition.

Now, one other word, and I shall take my seat. Some complaint is made here that 3 years is too long a time, but I notice that the Senators who object to 3 years do not propose to vote for the amendment if we cut it down to 2 years, and they do not propose to cut it down to 2. I think the objection must be a little more deeply rooted. I wrote in 3 years after conferring with the committee, wholly on the ground of giving the private power companies a fair opportunity to build their lines and get the electricity. My judgment is that they will go after it, and they will know that if they do not go after it, the Government will send it after them. I think 3 years is a reasonable time. However, if there are Senators who object to 3 years, but will vote for the amendment if I make it 2 years, I shall be very glad to deal with them, but I do not think that should be brought up unless it is a serious objection which can be corrected by an amendment.

I thank the Senator from Arkansas. I took a little more time than I had intended to take.

Mr. McCLELLAN. I merely wish to say, in reply to one thing suggested by the very able Senator from North Carolina, that I recognize, as does the Senator, that no matter how diligent the Congress may be in the writing of laws, how just their provisions, if placed in the hands of designing administrators they can be abused, if any discretion is allowed at all, and there must be a measure of discretion entrusted in the administration of all laws.

While I should like to prevent any such abuse, I rather take this position, that it is my duty as a legislator to try to have laws passed which are just and fair in their terms and provisions, laws which can be administered equitably, justly, and properly. This is the legislative branch of the Government and I have a duty in connection with legislation. The administration of the laws we enact is the responsibility of another branch of the Government, and of the Chief Executive of the Nation.

I do not believe that we can adopt the amendment offered by the senior Senator from North Carolina without giving an advantage or preference to the private utilities.

Mr. MALONEY. Madam President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MALONEY. The Senator's last observation interests me very much. I intend to support the amendment offered by the senior Senator from North Carolina, although in the committee I assisted in its modification in what I thought were important instances. I should like to have the distinguished Senator from Arkansas tell us wherein he thinks this language gives a special privilege to the private power companies, because if it does, I shall change my view about the amendment.

Mr. McCLELLAN. Just in the same respect that the very able Senator from North Carolina has pointed out, that under the committee amendment as orig-

inally offered it can be abused. The same thing is true of the Bailey amendment with respect to private utilities. In most cases they are already established, with their power lines, they have an advantage, and they are naturally going to object to a competing line being built by a cooperative. Cooperatives are at a disadvantage, largely because of finances, in building transmission lines. Many of them are some distance away, and are not in a position to finance those things for their own good, and therefore it does place the private utilities at a decided advantage in obtaining the power, if it is handled under the provisions of the Bailey amendment.

Mr. MALONEY. Madam President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. MALONEY. As I understand the so-called Bailey amendment, private companies are compelled to buy this power or suffer competition. I would assume they would buy it at whatever price the Federal Government asked for it.

Mr. McCLELLAN. If the Senator will pardon me, let us assume they do not do so, then what is the situation?

Mr. MALONEY. I am coming to that. Then the Federal Government builds a transmission line to sell the power. That is clearly provided in the amendment, as I understand it.

Mr. McCLELLAN. After 3 years.

Mr. MALONEY. The Senator from North Carolina said he would change it to 2 years, and I assume that if he were pressed hard he would shorten the time still more.

Mr. McCLELLAN. Why not take out the provision?

Mr. MALONEY. There is no guaranty under existing circumstances that they can get the equipment to build the transmission lines right away, because the authority over and the control of the necessary equipment rests in the hands of the Federal Government. I think that is the answer to that question.

Mr. McCLELLAN. The Senator is simply referring to a war condition—

Mr. MALONEY. That is correct.

Mr. McCLELLAN. And, of course, we do not expect many of these projects to be constructed until after the war.

Mr. MALONEY. I myself would prefer that there be no limitation of time, but I share the view of the able Senator from North Carolina that we ought to do everything we can to prevent a confiscation of private power in this country. If we were to start all over again I think I would favor public power. If we are going to nationalize power now, we ought to make certain that we do not do it by way of confiscation and destruction. Provision should be made to pay proper and reasonable prices for the properties with which the Federal Government would be in competition. I think we have a definite responsibility here. I do not call myself a special friend of the power interests. On all the votes we have taken up to now in the Senate, if my memory serves me well, I have been on the other side of the issues. I voted for the death sentence and other proposals which were intended to take from power companies

what I thought were special privileges. But we are here and now confronted with a question of fairness, and I think the amendment which we are now considering has no other purpose.

Mr. BARKLEY. Madam President, will the gentleman yield?

Mr. McCLELLAN. I yield.

Mr. BARKLEY. I simply wanted the Senator to yield to me so I could make an observation. Many Senators have asked me if we wanted to dispose of this amendment this afternoon, and after conferring with the Senator from Louisiana [Mr. OVERTON] in charge of the bill, I find it is desirable that we dispose of the amendment this afternoon. I make that statement so that Members of the Senate will not leave the Chamber, so we may dispose of the amendment one way or the other.

Mr. McCLELLAN. Madam President, I have discussed my views of this matter, and I state now that I shall move the adoption of that sentence in the Bailey amendment to which I have referred as an amendment to the original committee amendment in the event the Bailey amendment is rejected.

SEVERAL SENATORS. Vote! Vote!

Mr. WHEELER. Madam President—

Mr. BAILEY. I suggest the absence of a quorum in order that we may have a full attendance.

Mr. WHEELER. I will not yield for the purpose of the suggestion of the absence of a quorum. I shall speak for only a few moments.

Mr. BAILEY. I thought the Senate was about to vote on the question. I did not know that the Senator from Montana intended to speak.

Mr. WHEELER. Madam President, I wish to say that I concur fully in what the Senator from Arkansas [Mr. McCLELLAN] has just said. I do not know that anything can be added to the statement he has made in reference to the pending question. In view of the fact, however, that the subject of utility holding companies has been brought up, I wish to say that when the bill providing for the so-called death sentence was pending before the Senate of the United States speeches were made on the floor of the Senate to the effect that we were going to confiscate private enterprise and put it out of business. The bill finally passed the Senate, as Senators will recall, by only 1 vote. I happened to be handling the bill, as chairman of the Interstate Commerce Committee of the Senate. The fight was probably one of the bitterest occurring in the Senate during my 20 years as a Member of this body. Never was a more powerful lobby congregated in the city of Washington than there was at that time in an effort to save the holding companies and to permit the continuation of the bad practices that had been perpetrated upon the American people by the holding companies of this country.

Madam President, we now hear talk about confiscating property. The Senator from North Carolina has called attention to the difference between the cost of producing power by private enterprise and by the Government, and he has pointed out the difference very carefully



and very correctly. I wish to call attention to the fact that some of those who are advocating this particular amendment in the interest of and protection of private enterprise are also advocating, at the same time, that the rivers of this country shall be widened and deepened at the expense of the Government—and for what purpose? For the purpose of setting up competition with other forms of transportation and with private enterprise. Those who advocate the widening and deepening of rivers do so not only for the purpose of permitting great corporations to send their vessels up and down the rivers but to keep the channels open year after year at the expense of the Government of the United States.

The railroads of this country pay income and other taxes. The same individuals who are talking about competition on the part of the Government with private enterprise on the one hand, are also supporting legislation providing for the deepening and widening of rivers. If one proposal is wrong, then the other is wrong. When the Government builds dams it does so at Government expense, because no private enterprise will attempt to build them. The Government builds dams—for what purpose? For the purpose of saving property. Those who want private property saved by such means cannot build the dams themselves. No private enterprise can do so or will do so. Therefore the Government steps in and does it.

Mr. BAILEY. Madam President, will the Senator yield for an interruption?

Mr. WHEELER. I yield.

Mr. BAILEY. I think the Senator's statement is correct generally, but it is certainly not correct with respect to North Carolina. In North Carolina the Government is saying to corporations which wish to develop sites which they have bought, "You shall not build dams for power." One such project was contained in this bill, and I had it stricken out yesterday. The money was available. The engineers were ready to build a dam at Tuckertown. The Power Commission said "No." Another project was at Nantahala, for a 500-foot-high dam which would cost private enterprise \$27,000,000 and cost the Government \$40,000,000 or \$50,000,000, but the Government said, "You shall not build it. We will build it." We have come to the point where the Government controls the source of the power and intends even to control the distribution.

Mr. WHEELER. I do not know about the particular case to which the Senator refers, but generally when the Government builds flood-control projects it does so because private enterprise will not build them and cannot afford to build them.

Mr. BAILEY. Private enterprise does not come into flood-control projects anywhere, but I do not think the Senator can find a good power site in America on which private enterprise would not build if the Government would not lay hands on it.

Mr. WHEELER. Of course, private enterprise will not build flood-control projects because there is no profit in doing so, and if there is no profit in such

construction private enterprise wants the Government to construct it. When a canal does not make money private enterprise desires to unload it on the Government, as was done with the Cape Cod Canal some years ago, and as is being done with reference to the canal along the B. & O. Railroad. I am in favor of private enterprise, but I am in favor of private enterprise being regulated.

Take the case of the radio broadcasting chains. The Republican Party adopted a plank in its platform to the effect that there should be no regulation of radio broadcasting chains in this country aside from the regulation of the mechanics of the operation of the radio. However, that is beside the point. When these great dams are built, as I understand, they are built essentially for flood control, and not for power purposes.

Mr. MALONEY. Madam President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MALONEY. I should like to note also, as did the Senator from North Carolina [Mr. BAILEY], that in connection with flood-control projects the States of New England made a very strong effort to establish an interstate compact on flood control, and the pact was rejected by the Congress in 1937.

Mr. WHEELER. Frankly, I believe that when private enterprise wishes to build dams for flood control, or other purposes, and it can do as good a job as the Government in the prevention of floods, it ought to be permitted to do so, and the Federal Government ought not to step in. I am assuming—perhaps I am mistaken—that these flood-control projects are being built by the Government essentially for flood control. However, in the case of every dam which is built, there is bound to be some primary power developed; and if the Government can recoup some of the money which it has put into such a project, it ought to be permitted to do so.

Mr. MALONEY. Madam President, will the Senator further yield?

Mr. WHEELER. Let me finish. For example, take the Fort Peck Dam. The Government had a transmission line, and installed a power plant. The project was in eastern Montana, where there were no large cities. The transmission line was originally built for the purpose of taking power from the Montana Power Co. and transmitting it into eastern Montana. Power was necessary for the construction. If that transmission line had not been there, a transmission line would have had to be built. I do not think the Montana Power Co. would ever have built it. But the power was bought because the transmission line was there, and the power was used for very necessary war purposes.

Many dams will be built along the Missouri River, where there are no large cities. It seems to me that in some instances transmission lines must be built in order to sell the power. If they are not built, the private power companies may say, "We do not want to buy that power. We have all the local power we need, and we are not going to buy it." Then it will be necessary to wait for 2 or 3 years to sell it.

Mr. MALONEY. Madam President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MALONEY. The Senator makes a good argument so far as it goes, and I share his feeling that when a dam is constructed for flood-control purposes and there is a potential use for power which might be developed, even though at some distant time, provision ought to be made in the construction of such a dam for power uses at a later date. I quite agree with that statement. I think it would be sinful to build a large flood-control dam in an area in which power might be used at some later date, without taking the necessary steps to make power later available. However, I cannot see how this amendment trespasses on that idea.

Mr. WHEELER. Of course, it does not trespass on the idea that provision may be made for power in the future.

Mr. MALONEY. The amendment is much more generous than that. This amendment does not frown on power dams.

Mr. WHEELER. I understand that thoroughly. The Senator misunderstood me if I gave him a contrary impression. It may be that in connection with some of these dams there will be no power provision. It seems to me that will depend entirely upon conditions.

Apparently what is troubling the Senator from North Carolina is that he is fearful, and does not trust someone in the department with reference to these matters. There may be some excuse for such a feeling. There may be those in the departments who are anxious to go into the power business and put private industry out of business. I believe that the Senator from Arkansas [Mr. McCLELLAN] stated the situation very correctly when he said that after all, as Members of the Congress of the United States, our duty is to enact legislation, and that we must give some discretion to the various departments. I do not like to give them too much discretion. When I first came to the Senate I did not want to give them any discretion, because of the fact that I had had experience dealing with them in land matters, and as United States attorney. I thought, even in those days, that they made rules and regulations which were reprehensible.

Mr. MALONEY. It seems to me that the Senator is still pretty reluctant to give them discretion.

Mr. WHEELER. That is true; but we must give them certain definite powers and discretion. If we have men in the various offices in whom we have no confidence, men whom we cannot trust, and who violate the intent of the Congress, then the Congress ought to get rid of them, or see that they are eliminated.

Mr. MALONEY. If the Senator will yield to me for a moment, I should like to suggest that that is a pretty far-fetched observation. I am not lacking in confidence in those who would administer this procedure. I think I know what they would do. I believe that there are those within our Government—a great many of them—who believe in the nationalization of power, and I believe that they would go about it without much

delay. I think that is the issue involved here. I do not wish to see that done until we devise a way to make proper payment to those owning private power companies. Heretofore I have submitted an amendment to provide such protection. If the Federal Government wishes to enter that field, and will pay the proper price, it is all right with me. But millions of American people have money invested in private power companies. There are private power companies with bad records, and there are private power companies with good records. I believe in rigid regulation. I do not wish to take any uncertain steps, however, which might be avoided.

I see in this amendment a mild and modest attempt to indicate a Federal policy. We are entirely without one now. We are scattered all over the field. There is a great difference of opinion within the Government as to how we should deal with the power question. I wish to point out to the Senator, because he makes so much of it, that the Senator from North Carolina has indicated his willingness to cut down the period of waiting time before the power is sold.

Mr. WHEELER. I do not think there should be a waiting time, as has been pointed out on the floor of the Senate by the Senator from Kentucky [Mr. BARKLEY] and the Senator from Arkansas [Mr. McCLELLAN]. When power projects are being built, we know what power is to be developed. We know, before the construction is begun, the amount of primary power which is to be developed.

Mr. MALONEY. I do not quarrel with the Senator on that point. I should be willing to see the time limit stricken out.

Mr. WHEELER. It should be stricken out. When the construction of a dam is commenced, those in charge know the amount of primary power which is to be developed. They knew it in the case of the Fort Peck Dam. They know it in the case of every other dam which is being built. If we cannot build a transmission line so that the power may be sold, we shall be absolutely at the mercy of some power company at practically every place where one of these dams is built. The power company will be able to say, "You can sell us this power for so much, or you cannot sell it at all." We shall be tied up for an indefinite period of time, and will not be able to build any transmission lines. It seems to me that that is a mistaken policy.

When we talk about confiscating the property of private owners and not paying them enough, I should like to have someone tell me when the Government has ever taken any piece of private property anywhere in the United States and has not paid a most generous price for it. Will any Senator stand on this floor and tell me of any time when the Government has ever taken a piece of property and has not only paid a generous price for it but generally has paid far more than the property was worth?

I happened to be a member of the conference committee which considered the bill providing for the taking over of some of the properties of the Commonwealth

& Southern Corporation. I sat in the conference committee room with the late Senator Norris. I saw the Members of the House of Representatives who were members of the conference committee come there and argue. I saw the late Senator Norris, who then was in his declining years, sit in that conference room with tears streaming down his face because of the fact that he thought the conference report would not be adopted. I said to him, "Do not worry about it. It is going to be adopted because of the fact that the power interests will get \$10,000,000 more than the property is worth."

But, Madam President, were they satisfied with it? Was the late Mr. Willkie satisfied with the price he received? Was the Commonwealth & Southern satisfied with the price it received? They were delighted to unload the property on the Government of the United States for the price they were paid, and I happen to know it.

So when we talk about taking over private property and not paying for it, let me say that the Government always has paid most generously for everything it has ever taken over, whether it be a dog, a house, a cow, or a piece of property anywhere in the United States.

I agree that there are some good power companies and there are some bad power companies, depending upon the kind of management they have. I also agree with the senior Senator from North Carolina [Mr. BAILEY] that some of the power companies did a great service when they started and developed their companies. There is no question about that.

I am not in favor of having the Government of the United States go into the retail power business.

Mr. MALONEY. Madam President, will the Senator yield to me?

Mr. WHEELER. I yield.

Mr. MALONEY. Would the Senator have objection to this proposal if the time limitation were stricken out?

Mr. WHEELER. I do not know that I would. I am inclined to think that possibly I would not.

Mr. MALONEY. I am anxious to see us take a step toward the formulation of a Federal power policy. As I understand the discussion here, the only objection raised by the able junior Senator from Arkansas [Mr. McCLELLAN] and the able senior Senator from Montana [Mr. WHEELER] is regarding the limitation of time. I have very good reason to believe that the author of the amendment is willing to remove that limitation.

Mr. WHEELER. I would not wish to commit myself definitely at this time with reference to it, but I think the provision which was originally adopted by the committee does adopt a policy.

Madam President, at this point I wish to place in the RECORD several telegrams which I have received from Montana. One of them reads as follows:

POLSON, MONT., November 21, 1944.  
Hon. B. K. WHEELER,  
Washington, D. C.:

The Bailey amendment to H. R. 4485 is absolutely the wrong theory. United States bar sales to any group as of law and practice by the Bonneville Power Administration is cor-

rect practice for fair distribution to everyone. Please use your influence to have the flood-control legislation to the benefit of all communities and groups along the waterways to the very source of the streams.

Board of Commissioners; Mission Irrigation District, Ray Biggerstaff, secretary; W. A. Jensen; Earl S. Ferrell; Stella M. Upham; Polson Chamber of Commerce, Louis Pratt, president; Reservoir Valley Grange, Lola Wolfinger, secretary; T. R. Delaney, attorney; W. L. Rader, publisher, Flathead Courier; F. N. Hamman, lawyer; Lloyd I. Wallace.

I happen to know most of the signers of the telegram. Most of them are very good Republicans, particularly the lawyer, the last person who signed the telegram, who has just been elected a State senator on the Republican ticket. Also all the members of the board of county commissioners are Republicans.

I also hold in my hand a telegram from Mr. A. F. Winker, chairman, and Mr. Don Treloar, secretary, of the Flathead Valley Citizens Committee. I ask unanimous consent that this telegram be printed in the RECORD as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

KALISPELL, MONT., November 21, 1944.  
Hon. B. K. WHEELER,  
Senator from Montana,  
Washington, D. C.:

We understand an amendment to the flood control bill seeks to prohibit Government sale of power except from the bus bars at the dams. Such an amendment, if made into law, would jeopardize the entire Northwest program for development and sacrifice huge Government transmission facilities to selfish interests. We desire to express our disapproval of such action and urge you do everything you can to preserve the status quo in the Northwest as it pertains to distribution sale of power. If amendment cannot be stricken out immediately, we believe it should at least be delayed until an adequate opportunity is provided to oppose it. We feel that the aspirations of this Northwest States region hinge upon the defeat of this amendment, which we understand has been presented by Senator BAILEY.

A. F. WINKER, Chairman,  
DON TRELOAR, Secretary,  
Flathead Valley Citizens Committee.

Mr. WHEELER. Madam President, I sincerely hope that the so-called Bailey amendment will be defeated, and that the amendment which was first recommended by the committee will be adopted by the Senate.

Mr. HILL. Madam President, I do not desire to delay the vote on the pending amendment, but I feel so strongly about the amendment that I do not wish to have a vote taken on it without first voicing my vigorous protest against its adoption.

The senior Senator from Kentucky [Mr. BARKLEY], the junior Senator from Arkansas [Mr. McCLELLAN], and the senior Senator from Montana [Mr. WHEELER], have stated the reasons why, in their opinion, and also in my opinion, the amendment should not be adopted. I do not wish to detain the Senate in order to reiterate the arguments they have made.



As those Senators have well stated, the adoption of this amendment would, in their opinion, and also in my opinion, result in giving special favors to the private power companies, and in practically denying rural cooperatives and public power bodies an opportunity to purchase the power which might be generated at these flood-control projects.

The amendment which was originally reported to the Senate by the Committee on Commerce provides that transmission lines can be built only for sale of such power in wholesale quantities and for the purpose of giving a fair and reasonable opportunity to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

If the Bailey amendment is adopted as a part of the bill, it might well be that there would be some other Federal project in close proximity to one of these flood-control projects, and that the other Federal project would not be able to obtain the power needed for its own operation. Certainly, the practical effect of the amendment would be that public power bodies generally and rural cooperatives would not obtain any of this power. It would go to the private power companies. As I have endeavored to indicate in the questions I asked on the floor of the Senate earlier in the day, it would not only go to the private power companies, but, as the amendment is now written, it would go to them largely on their own terms. As we know, and as I have said here before, there is no competition between private power companies, either in the matter of the purchase of power or in the matter of the distribution and sale of power. They are tied together; and, as I have said, to be fair to them, in many cases it works in the public interest for them to be tied together. But they do not bid one against the other for the purchase of power.

The result would be that the private power company which was nearest the particular flood-control project would obtain the power from that project, and the Government would be at a great disadvantage in attempting to get the best price for the power, inasmuch as the private power company would not have any competition, would not have anyone bidding against it or competing with it, for the purchase of the power.

As has been stated here, the amendment represents a reversal of our policy. Beginning in 1906, with the passage of the reclamation law, the Congress adopted a policy of at least giving an equal opportunity to public-power bodies for the purchase of power generated at projects built with funds provided by the Federal Government. In many of the acts passed since 1906, Congress has gone further than merely to give public-power bodies and rural cooperatives an equal opportunity. Congress has given them a preference.

As I recall, we granted preferences in the Tennessee Valley Authority Act, in the operations of the Fort Peck Dam, and the Bonneville and Grand Coulee Dams. The public power bodies, which are not operated for private profit but

for the benefit of the people served by them, and the rural cooperatives, which are not operated for profit but for the benefit of farmers and members of the cooperative, have been given preferences for the purchase of power.

We would now reverse the policy. We would not only deny any preference but even an equal opportunity to the public power bodies or the rural cooperatives to buy any of the power.

My distinguished friend from North Carolina—and there is no abler Member of this body, nor one who is more persuasive or appealing—stated today that he felt that if we did not reverse our existing policy the private power companies would be put out of business. I share no such fears. I hold no such views. We were told exactly the same thing when we had before us the bill providing for the Tennessee Valley Authority. We were told exactly the same thing when we had before us the bill involving the dissolution of holding companies.

The truth is, Madam President, that the Tennessee Valley Authority brought about the dissolution of the Tennessee Electric Power Co. by its purchase of that company. Because the Tennessee Valley Authority did not wish to build competing lines and be in the position of impairing, if not destroying private property and private enterprise, it purchased the company to which I have referred. So the Tennessee Valley Authority compensated at a handsome price the owners of the Tennessee Electric Power Co. for every dollar's worth of its property.

So far as the Alabama Power Co. is concerned, the Georgia Power Co., and power companies serving Mississippi, Kentucky, and other adjoining States, I do not hesitate to say that instead of being inimical or harmful to the private power companies, the operation of the Tennessee Valley Authority has been most helpful to them. It forced them to put their operations upon a fair, sound, efficient, and businesslike basis. Instead of hurting them it has made customers for them. It has made people power minded. It has caused companies to reduce their power rates. They are selling far more power today than they ever dreamed of selling before the Tennessee Valley Authority was created.

In the Birmingham area we are served principally by the Birmingham Electric Power Co., which is a private company. The Tennessee Valley Authority also furnishes power to Bessemer and the adjacent area.

The fact that the Tennessee Valley Authority came into that area and is today, and has been for some time, selling power did not put the private power company out of business. It brought about seven reductions in the rates for power charged by the private power companies to the people of the Birmingham area. But that power company is still operating today. If we look at the quotation of its stock on the stock market, we find that it is in a sound and healthy condition, paying good dividends, selling more power and to more customers than it has ever sold before,

and that it is in a better condition financially than ever before.

Madam President, the question before the Senate is not one of destroying private power companies or private enterprise. The question is merely one of permitting all the people to have a fair and equal opportunity to obtain the power which will be generated at the expense of the Federal Government. There is no intention of the Federal Government to enter widely into the power business. The truth is that under the language of the amendment which the committee first reported, and which, if the Bailey amendment is defeated, will be offered by the Senator from Louisiana, transmission lines could be built only for the sale of power in wholesale quantities. No authority is provided in the amendment as originally reported by the committee for any retail distribution of power.

Madam President, we talk of private enterprise, but let me say that the greatest thing which has ever come to the section of the South in which I have the honor to live has been the T. V. A. One of the greatest things the T. V. A. has done for that area has been to encourage and help the building of private enterprise. In that great section of our country we have more private enterprise and private business operating on a sound, stable, and prosperous basis than we ever had before. It is because of the advent of the T. V. A.

Madam President, I hope this amendment will be defeated. I hope the Senate will do nothing which might result in taking funds of all the people and giving to a certain group the benefits derived from the expenditure of such funds. I hope that by no act of the Senate will private power companies be given a fixed or vested interest in the power to be derived from flood-control projects.

I feel so deeply about this amendment, Madam President, that if it is adopted I, for one, will hope that the bill will never become law.

Mr. PEPPER obtained the floor.

Mr. WHITE. Madam President, will the Senator yield in order that I may make an inquiry?

Mr. PEPPER. I yield.

Mr. WHITE. I wonder if it is the disposition of the Senator in charge of the bill to conclude consideration of the pending amendment this evening. It is now almost 5 o'clock. If my information is correct, amendments are to be offered to the committee amendment as modified. I think it is very dubious whether we can complete consideration of the pending matter in a short time.

Mr. OVERTON. I do not know of any amendments to be offered.

Mr. BAILEY. Madam President, I have received notice of three amendments to be offered.

Mr. OVERTON. Are they to be offered to the committee amendment as modified?

Mr. BAILEY. Yes. We can go ahead and vote, of course.

Mr. CLARK of Missouri. Madam President, I have an amendment which I intend to offer on my own behalf. I think it will protract the debate.

Mr. PEPPER. Madam President, I am in a position to advise Senators who are interested that what I have to say will not take more than 5 minutes, and will not prevent a vote being taken this afternoon.

Mr. WHITE. Madam President, if the Senator from Florida will further yield, it is my impression that there are amendments which will be offered and discussed. I do not believe that the amendment now pending can be disposed of until a substantially later time. In view of the fact that this is not the night before Christmas, but is the night before Thanksgiving, and that some Senators may desire to leave the city, I wonder if further consideration of the amendment could not go over until Friday.

Mr. OVERTON. I am glad to accept the suggestion.

Mr. BARKLEY. If there are several other amendments to be offered to the pending amendment, and several other speeches to be made, it is obvious that we cannot reach a vote on the amendment today. I wonder if we cannot enter into an agreement for a limitation of debate when we resume consideration of the amendment.

Mr. OVERTON. I hope so.

Mr. BARKLEY. I therefore will attempt to feel out the sentiment of the Senate and see whether it may be possible to get a vote on the Bailey amendment and all amendments thereto. Would 15 minutes be too much time?

Mr. BAILEY. Madam President, I can speak only for myself. I would not want more than 10 minutes, but there are some amendments.

Mr. BARKLEY. To the Bailey amendment?

Mr. BAILEY. Yes. I should like under the circumstances to have enough time to say whether they are agreeable or not. But I do not intend to make any argument.

Mr. BARKLEY. I think we might very well enter into a 15-minute limitation on the Bailey amendment and all amendments thereto. Therefore I ask unanimous consent that during the further consideration of the Bailey amendment, no Senator shall speak more than once or longer than 15 minutes.

Mr. BAILEY. I am willing to limit the debate to 5 o'clock, or until 10 minutes after 5.

Mr. BARKLEY. So am I, but I do not think we can get such a limitation. There are several Senators who wish to address the Senate. I am suggesting that during the further consideration of the Bailey amendment, or any amendment thereto, no Senator shall speak longer than 15 minutes.

Mr. BAILEY. I think that might result in a prolongation of the debate indefinitely, and I shall be very frank with the Senator. I should like to have a vote, and I am perfectly willing to have a vote by 10 minutes after 5, which will be 15 minutes from now. If the debate is to be prolonged and I must stay here, I may say that I had a great deal of work in the committee in the matter of the St. Lawrence seaway, and I came out of the committee after that morning's work, and without taking my seat, I found I

had to speak. I have been proceeding all day. I can go a little while longer, but not much longer. That is my situation.

Mr. BARKLEY. I was basing my request on the suggestion that a number of other Senators desire to address the Senate, and also that two or three or four amendments are to be offered to the Senator's amendment. In that event, it is obvious we could not conclude the debate today.

Mr. BAILEY. That is correct.

Mr. BARKLEY. It was on that basis I was seeking to obtain a limitation of debate on the amendment.

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Is there objection to the request of the Senator from Kentucky?

Mr. CLARK of Missouri. May the request of the Senator from Kentucky be restated?

Mr. BARKLEY. I ask unanimous consent that during the further consideration of the pending amendment, known as the Bailey amendment, no Senator shall speak more than once or longer than 15 minutes on the amendment or any amendment thereto.

The PRESIDING OFFICER. Is there objection to the request?

Mr. AIKEN. As the Bailey amendment is an amendment to a committee amendment, can there be further amendments offered to the Bailey amendment?

Mr. BARKLEY. The Bailey amendment now occupies the status of a committee amendment, so that the inquiry propounded by the Senator may be answered in the affirmative.

Mr. AIKEN. The Senator means permission has been given to the committee to modify the amendment so as to include the Bailey amendment? Is that correct?

Mr. BAILEY. There was no permission in the committee, but I take it I can either agree to an amendment or not. I did not think there had been any rule to the contrary. I did not think there had been any rule to that effect. There may have been one since the Senator from Vermont came to the Senate.

Mr. OVERTON. There is no rule against a committee modifying its own amendment.

Mr. BARKLEY. I had understood from the Senator from Louisiana that the Bailey amendment had been put in such a position that it is a committee amendment.

Mr. OVERTON. It is, and is reported in lieu of the original amendment.

Mr. BARKLEY. It displaces the original amendment offered by the committee?

Mr. OVERTON. That is correct.

Mr. BARKLEY. So that it is an amendment in the first degree, and amendments to it would be in order.

Mr. AIKEN. That is the information I was seeking.

Mr. WHITE. Mr. President, it is understood that if the request for a limitation on debate shall be agreed to, we will recess at this time?

Mr. BARKLEY. I think that we might as well, in view of the situation. That is my purpose.

Mr. OVERTON. I wonder if we could conclude the debate by 2 o'clock Friday.

Mr. BARKLEY. I expect we have gotten about all we can get today in the way of an agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and the request is agreed to.

Mr. PEPPER. Mr. President, is it the desire of our able leader to carry this subject over until Friday, or are we to have a session tomorrow?

Mr. BARKLEY. It is not my desire; I had hoped we might dispose of the amendment, but the situation is such that I think we must carry it over.

Mr. PEPPER. Very well. Then I shall desist. I should like to ask, if it is not inconsistent with the views of the leader, that I have the floor when we resume the discussion of this subject.

Mr. BARKLEY. I think that is not a very good practice in the Senate. There will be no difficulty about the Senator getting the floor.

Mr. PEPPER. Very well. At least I serve notice that I shall ask for the floor when we reassemble.

Mr. MALONEY. Mr. President, if it is in order, I desire to give notice now that when afforded the opportunity Friday I shall offer an amendment which would strike out on line 8, page 3, of the amendment the words "demanded or" and the words "within 3 years after," and to insert before the word "completion" the word "upon," so that the amendment of the Senator from North Carolina would at that place read as follows:

That unless 90 percent of the firm power produced at such projects shall be purchased upon completion of construction of such projects, the Secretary of the Interior is authorized to construct transmission lines for the purpose of selling such power at wholesale.

Mr. MALONEY subsequently said: Mr. President, I ask unanimous consent that the amendment concerning which I gave notice that I would offer Friday be now printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and lie on the table.

#### GRAVES COUNTY, KY., MEETS WAR BOND QUOTA FIRST DAY

Mr. BARKLEY. Mr. President, I have a telegram which I desire to read into the Record as an example and an inspiration not only to the Senate, but to all parts of the country. The telegram comes from Graves County, Ky., in which I was born. It is addressed to me from Mayfield, and is dated November 21:

Graves County went over its War bond quota first day.

That was the 21st.

Campaign was sponsored by the Lions Club, Rotary Club, Kiwanis Club.

The telegram is signed by Lara Barron and W. F. Foster. Miss Barron and Mr. Foster have been in charge of all the War bond drives in Graves County, and they have done a magnificent job in going beyond their quota every time bonds have been offered for sale. It is very



gratifying to me, as a native of the county, to be advised that on the first day of the present bond drive they have gone over their quota. That does not mean they are going to relax in their efforts to sell more bonds, but they were able on the first day to more than fill the quota assigned to the county, and it is a pleasure to me to read this telegram into the RECORD at this point.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McFARLAND in the chair) laid before the Senate messages from the President of the United States submitting several nominations in the Marine Corps, which were referred to the Committee on Naval Affairs.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BILBO, from the Committee on the District of Columbia:

Guy Mason, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years, and until his successor is appointed and qualified (reappointment).

By Mr. CONNALLY, from the Committee on Foreign Relations:

Jefferson Caffery, of Louisiana, to be Ambassador Extraordinary and Plenipotentiary to France; and

Waldo E. Bailey, of Mississippi, to be a Foreign Service officer of class 7, a secretary in Diplomatic Service and also a consul.

By Mr. HATCH, from the Committee on Public Lands and Surveys:

Richard McElligott, of Oregon, to be register of the land office at Roseburg, Oreg., terminating recess appointment, vice George Finley.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

#### OFFICE OF WAR MOBILIZATION AND RECONVERSION

The legislative clerk read the nomination of Brig. Gen. Frank T. Hines, United States Army, to be Retraining and Reemployment Administrator.

Mr. WALSH of Massachusetts. I ask that the nomination of General Hines be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### THE JUDICIARY

The legislative clerk read the nomination of Charles H. Cashin, to be United States attorney for the western district of Wisconsin.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Harlee Branch, of Georgia, to be a member for the term of 6 years from January 1, 1945.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of William H. Burke, Jr., of Northampton, Mass., to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### THE COAST GUARD

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. BARKLEY. I ask that the nominations in the Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Coast Guard nominations are confirmed en bloc.

#### THE NAVY

The legislative clerk read the nomination of Harry L. Merring, to be rear admiral in the Navy on the retired list, for temporary service, to continue while serving as Deputy Chief of Industrial Readjustment Branch of the Office of Procurement and Material.

Mr. WALSH of Massachusetts. I ask that the nomination be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH of Massachusetts. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified of all nominations this day confirmed, and all previous confirmations of nominations of which notice has not been given to the President.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

#### RECESS TO FRIDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon on Friday next.

The motion was agreed to; and (at 5 o'clock and 1 minute p. m.) the Senate took a recess until Friday, November 24, 1944, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate November 22 (legislative day of November 21), 1944:

#### IN THE MARINE CORPS

Brig. Gen. Earl C. Long to be a major general in the Marine Corps, for temporary service, from the 7th day of January 1944.

Brig. Gen. Pedro del Valle to be a major general in the Marine Corps, for temporary service, from the 10th day of January 1944.

Brig. Gen. Louis E. Woods to be a major general in the Marine Corps, for temporary service, from the 10th day of September 1944.

Brig. Gen. Field Harris to be a major general in the Marine Corps, for temporary service, from the 10th day of September 1944.

Col. William T. Clement to be a brigadier general in the Marine Corps, for temporary service, from the 3d day of October 1942.

Col. Louis R. Jones to be a brigadier general in the Marine Corps, for temporary service, from the 4th day of October 1942.

Col. Joseph H. Fellows to be a brigadier general in the Marine Corps, for temporary service, from the 9th day of November 1944.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate November 22 (legislative day of November 21), 1944:

#### OFFICE OF WAR MOBILIZATION AND RECONVERSION

Brig. Gen. Frank T. Hines, United States Army, to be Retraining and Reemployment Administrator.

#### THE JUDICIARY

##### UNITED STATES ATTORNEY

Charles H. Cashin, to be United States attorney for the western district of Wisconsin.

##### DEPARTMENT OF COMMERCE

##### CIVIL AERONAUTICS BOARD

Harlee Branch, to be a member of the Civil Aeronautics Board, for the term of 6 years from January 1, 1945.

##### COLLECTOR OF CUSTOMS

William H. Burke, Jr., to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass.

#### IN THE NAVY

##### TEMPORARY SERVICE

Harry L. Merring to be a rear admiral in the Navy, on the retired list, for temporary service, to continue while serving as deputy chief of industrial readjustment branch of the Office of Procurement and Material.

#### IN THE MARINE CORPS

##### APPOINTMENTS IN THE MARINE CORPS

To be first lieutenant, to rank from September 1, 1939

William F. Hausman

To be second lieutenants, to rank from indicated dates

Jack Cosley, from February 9, 1942.  
John W. Beebe, from February 9, 1942.  
Kenneth D. Frazier, from March 12, 1942.  
Arvid W. Blackmun, from March 12, 1942.  
Clayton M. Canfield, from March 14, 1942.  
Howard E. Cook, from March 14, 1942.  
Taylor R. Roberts, from March 17, 1942.  
Robert D. Bachtel, from March 25, 1942.  
Robert F. Conley, from April 3, 1942.  
John P. Long, from May 1, 1942.  
Edwin E. Shifflett, from May 22, 1942.  
Harold A. Langstaff, Jr., from June 19, 1942.  
Gerald R. Graff, from June 19, 1942.  
Ingram R. Rader, from July 13, 1942.  
William A. Eddy, Jr., from August 7, 1943.  
Warren R. Loney, from February 4, 1944.  
Fred J. Kendall, from February 4, 1944.  
Robert W. Tosch, from February 4, 1944.  
Richard F. DeLamar III, from May 2, 1944.  
Robert P. Barnett, from May 2, 1944.  
James E. Wallace, from May 2, 1944.  
William E. Mack, from May 2, 1944.  
Alfred A. Mannino, from May 2, 1944.  
Stanley G. Raytinsky, Jr., from May 2, 1944.  
Eugenous M. Hovatter, from July 26, 1944.  
Howard F. Stevenson, from August 8, 1944.  
John F. Graff, Jr., from August 8, 1944.

To be second lieutenants from August 8, 1944

Carl W. Hoffman  
Leslie A. Gilson, Jr.  
Joseph E. Fogg  
Alfred A. Prusick  
Ben E. Baker  
Willmar M. Bledsoe  
Frederick E. Malcolm

# IN THE COAST GUARD TEMPORARY SERVICE

Lyndon Spencer to be rear admiral while serving as assistant chief operations officer or in any other assignment for which the rank of rear admiral is authorized, to rank from October 1, 1944.

Robert Donohue to be rear admiral, to rank from June 30, 1942, while serving as chief, air sea rescue officer, or in any other assignment for which the rank of rear admiral is authorized.

Joseph F. Farley to be rear admiral to rank from November 1, 1943, while serving as chief personnel officer or in any other assignment for which the rank of rear admiral is authorized.

To be commodores while serving under the conditions specified, to rank from October 1, 1944

Frederick P. Dillon, while serving as Chief, Aids to Navigation Division, or in any other assignment for which the rank of commodore is authorized.

LeRoy Reinberg, while serving as commandant, Coast Guard Yard, Curtis Bay, Md., or in any other assignment for which the rank of commodore is authorized.

Norman B. Hall, while serving as vice chairman, Merchant Marine Council, or in any other assignment for which the rank of commodore is authorized.

Raymond T. McElligott, while serving as assistant chief personnel officer, or in any other assignment for which the rank of commodore is authorized.

William J. Keester, while serving as inspector in chief, or in any other assignment for which the rank of commodore is authorized.

Halert C. Shephard, while serving as Chief, Merchant Marine Inspection Division, or in any other assignment for which the rank of commodore is authorized.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, NOVEMBER 22, 1944

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Thou who art the bearer of life eternal, infuse us with the nobility of giving thanks—the wealth which smiles upon us, which breathes in the air and glows in the sanctity of happy homes. Give us the hand which helps, the heart which cheers, and the spirit to carry on through unrewarding toil with an unyielding trust that Thou wilt order all things aright; let our works magnify Thy holy name, O Lord, our strength and our Redeemer.

O Thou who hast been our help in ages past and our hope in years to come, we bow at Thy altar beseeching Thee to bless our Republic with the mercy of grateful hearts; praising Thee for deliverance from national peril, for abundant harvests of field and orchard, and for all the fruitage of our Christian institutions. O crown us with the spirit that makes the load a little less heavy with more courage to go into the world with deathless hope and with a deep belief in man and with boundless faith in a good God. Thou whose love and sympathy came from a rent in Thine own heart and saw the wheels of inhumanity grind the hungry and the poor to dust and death, may there be no need of inscribing on the heart of our country the

sublime rules of Christian service. May we minister most devoutly to those on our battle lines and to those dear ones whose lives have lost their greatest joy. Bring selfish lives from shadow-lands of loss

Into the radiance of the Saviour's cross, Where, in that gift, so precious, yet so lone, Life finds its brotherhood and love its throne.

In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

### RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation, which was read by the Clerk:

NOVEMBER 16, 1944.

HON. SAM RAYBURN,

Speaker, House of Representatives:

In view of the fact committee may begin further investigations which I could not later on participate in, believe best interests served if new man now entered into hearings. I therefore tender my resignation for your consideration as member Select Committee House of Representatives to Investigate Federal Communications Commission.

Sincerely,

WARREN J. MAGNUSON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

### APPOINTMENT TO COMMITTEE

The SPEAKER. Pursuant to the provisions of House Resolution 21, Seventy-eighth Congress, the Chair appoints as a member of the Select Committee to Conduct a Study and Investigation of the Organization, Personnel, and Activities of Federal Communications Commission the gentleman from Tennessee [Mr. PRIEST] to fill the existing vacancy thereon.

### ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE CAPT. JOHN S. BALDWIN

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, with deep regret, I wish to call to the attention of the membership of the House the loss sustained by our colleague the Honorable H. STREETT BALDWIN, of the Second District of Maryland, whose son was killed on November 11, 1944.

Capt. John S. Baldwin, who was a pilot, was taking a special course on the B-29's, and expected to go to the South Pacific in the near future. He was killed in an airplane accident at Clovis, N. Mex. The plane was out beyond the airfield when the trouble started, and while they

could have bailed out they refrained from doing so in the hope that they could land the plane safely. However, in landing the plane turned over and burst into flames and 15 men were killed.

Another son, Lt. Harry W. Baldwin, was killed in the Tunisian theater of war on April 16, 1943.

I know that the Members of the House join with me in extending to our colleague and Mrs. Baldwin their deepest sympathy.

### EXTENSION OF REMARKS

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks on two matters and to include two radio broadcasts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

### PERMISSION TO ADDRESS THE HOUSE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that on December 7, after the reading of the Journal and the disposition of the legislative program and any other business on the Speaker's desk, I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

### SHORTAGE OF WAR SUPPLIES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, some time ago General Marshall gave pictures of what was being done in the war effort. It is high time he came again. We now hear a great deal about the shortage of supplies and the shortage of war matériel. To my mind, it is inexcusable. After the Army landed on the Normandy beaches on D-day they saw what the fortifications were, they saw the thickness of the walls of the tunnels at Cherbourg and elsewhere. There is one thing that should be done. General Marshall should come before us so that the Congress can tell the people of the country what our military situation is at the present time. The situation needs explaining. The people of our country have lost faith. General Eisenhower prophesied at the end of last summer that the war would be over shortly. Mr. Churchill said last autumn that the war would be over soon. Obviously it is far from over. Something went wrong and General Eisenhower and the administration at Washington were strangely silent. You cannot blame the people for not continuing in war work if they think the war is practically over. For weeks after D-day General Eisenhower was strangely silent and Mr. Churchill in the House of Commons was blaming the press of the United States for their statements, forgetting his own. I said last September at London, England, that there was no excuse for delay in sending materials



of war to the fighting fronts. I still make that charge.

I hope, Mr. Speaker, you will extend an invitation to General Marshall to come before us and give us the whole picture. It is the only way by which we will get enough labor, in my opinion, to pursue the war to a successful end and quickly. Many lives are being lost because of the delay in getting the materials of war to our fighting forces. If you could see as I did the injured and dying in the hospitals, you would know exactly what I mean.

The SPEAKER. The time of the gentlewoman from Massachusetts has expired.

#### EXTENSION OF REMARKS

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks, I ask unanimous consent to include an address by Mrs. Charles W. Tillett, assistant chairman, Democratic National Convention 1944; also an address by HELEN GAHAGAN DOUGLAS, national committeewoman from the State of California, and an editorial from the News and Observer of North Carolina.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include an article by Bill Cunningham.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks and include an article by Raymond Moley.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. COSTELLO. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address given by Mr. W. C. Mullendore, president of the Los Angeles Chamber of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. I ask unanimous consent that on Friday next at the conclusion of the legislative business and any other special orders I may proceed for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### FEDERAL CROP INSURANCE ACT

Mr. FLANNAGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4911) to amend the Federal Crop Insurance Act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4911, with Mr. SPARKMAN in the chair,

The Clerk read the title of the bill.

Mr. LEMKE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 2, line 1, after the word "lightning", insert the words "fire, excessive rain, snow, wildlife."

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. FLANNAGAN. The committee has had an opportunity to examine the amendment and agreed to accept it.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. LEMKE. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LEMKE: Page 2, line 2, after the word "disease" strike out the comma, insert a period, and then strike out the balance of the sentence beginning with the word "quota" in line 2 and ending with the word "Board" in line 3.

Mr. FLANNAGAN. Mr. Chairman, the committee also accepts that amendment.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

SEC. 2. That subsection (b) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(b) To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish within a period of 3 years a reasonable reserve against unforeseen losses. Such premiums shall be collected at such time or times, or shall be secured in such manner, as the Board may determine."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Page 4, at the end of line 12, insert the following: "Provided, That, after the crop year of 1945, not more than a sum equivalent to 25 percent of the premiums collected in the preceding year (beginning calculation of premiums collected in the crop year of 1945) shall be used for administrative expense in any current operating year."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to place a definite limitation on the amount of money that can be spent for administrative expenses in the operation of the corporation. My amendment proposes to limit such administrative expenditures to 25 percent of the premiums collected in any one year; that is, the premiums collected in 1945 will be used as the basis for the administrative expenditures in 1946.

It may be possible that the 25-percent limitation I have placed in this amendment may be too low or too high, but one thing is quite definite as far as I am concerned and also as far as many Members who have expressed themselves to me are concerned, and that is that there should be a limitation on the amount of money any governmental agency, and particularly this one, can spend for administrative purposes. If the amount is too low it is my hope we can get more

information before the bill goes to conference or is taken up in the Senate and make the necessary adjustments at that time.

It must be realized that this bill came here in haste after the reconvening of Congress and the members of the committee have not had an opportunity to get full and complete information from those in charge of the program as to the amount necessary to carry on the functions of crop insurance.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I shall be pleased to yield.

Mr. FLANNAGAN. We all, of course, want to hold down the administrative costs as much as possible, but we do not want to be penny-wise and pound-foolish. I am afraid the limitation suggested by the gentleman in his amendment will not provide sufficient money to cover the administrative costs under the act.

I know the gentleman well enough to state that he wants to see the act succeed. The short investigation I have made shows that 45 percent of the premiums in ordinary insurance goes to administrative costs. In hail insurance some 35 to 40 percent of the premiums went into administrative costs. Taking the year 1943, under the Federal Crop Insurance Act, the total premiums collected amounted to \$17,477,000. The Committee on Appropriations made an allowance for administrative costs of \$3,572,000. As a matter of fact, the agency only used \$6,448,000 of the appropriation, leaving an unexpended balance of \$2,124,000. That figures around 37 percent of the premiums taken in during that year.

Of course, this program is in its infancy and we have not had an opportunity to demonstrate from actual experience just what the cost will be. The administrative costs will be reduced as the coverage increases because it takes a certain amount of overhead in each county whether you have service in that county covering a hundred policyholders or two or three thousand policyholders. I am perfectly willing to make a further study of this in order to determine, if we can, and arrive at some figure that is reasonable and fair and one that will not hamper the program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FLANNAGAN. Mr. Chairman, if this amendment is adopted, I hope that the Senate, before passing upon this provision in the bill, will make further study in order to arrive at a fair percentage of the premiums to be used for administrative costs, because I realize we have to keep the administrative costs down if we expect the Appropriations Committee to go along with this program. We want to put it upon a sound foundation.

I just wanted to make this explanation to the Committee, then I am willing to

abide by the judgment of the Committee with the hope that if the amendment is adopted the Senate will make a careful study in order to determine just what the percentage should be fixed at.

Mr. AUGUST H. ANDRESEN. There is no difference of opinion between the distinguished chairman of our committee and myself on wanting to have a sound program instituted under this act. If the program is not sound it is going to fail. If we want to do something to give the farmers an opportunity to insure their crops, we must now institute a sound program, actuarially and otherwise, and keep down the expense. If we can accomplish this, then we have done something constructive for everybody. Between now and the time the Senate takes this legislation up for consideration, I feel that the Committee on Agriculture should get together and study the actual needs and make estimates, submitting those figures to the Senate committee or to the conferees. We may make some revisions either up or down, and I recognize that that is necessary. So I hope that this amendment will be adopted in the interest of economy, and also in the interest of establishing a sound and self-sustaining program of insurance.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Does this bill provide for the payment of administrative expenses out of premiums paid?

Mr. AUGUST H. ANDRESEN. No; nor does my amendment provide for administrative expenses outside of premiums, but I say in my judgment that not more than a sum equivalent to 25 percent of the premiums collected can be used for administrative expenses.

Mr. SMITH of Ohio. Not more than 25 percent of the amount of the premiums paid?

Mr. AUGUST H. ANDRESEN. Of the premiums collected in the preceding year can be used in the current year for administrative expenses.

Mr. SMITH of Ohio. Or an amount equal to 25 percent of the premiums paid.

Mr. AUGUST H. ANDRESEN. Up to; not over 25 percent.

Mr. SMITH of Ohio. An amount not to exceed 25 percent.

Mr. AUGUST H. ANDRESEN. That is right.

Mr. SMITH of Ohio. That does not mean that the gentleman's amendment would provide that these administrative expenses should be paid out of the premiums?

Mr. AUGUST H. ANDRESEN. No; it does not mean that they are to be paid out of premiums, but the section to which my amendment is offered is as follows:

To fix adequate premiums for insurance in the agricultural commodity or in cash, at such rates as the Board deems sufficient to cover claims for crop losses on such insurance and to establish within a period of 8 years a reasonable reserve against unforeseen losses. Such premiums shall be collected at such time or times, or shall be

secured in such manner, as the Board may determine.

Up to the present time all of the money for administrative expenses has been paid by the Government. What I am seeking to do is to hold down the administrative expense so that it will not exceed 25 percent of the premiums collected.

Mr. SMITH of Ohio. This bill virtually provides for the payment of administrative expenses out of the Federal Treasury and not out of the premiums.

Mr. AUGUST H. ANDRESEN. That is existing law at the present time.

Mr. SMITH of Ohio. And this bill does not change that?

Mr. AUGUST H. ANDRESEN. No.

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. HOPE. I am in full sympathy with the gentleman's idea of holding the administrative expenses to the lowest point possible. I am not sure whether the figure of 25 percent which the gentleman's amendment carries is correct or not, but if I understand the gentleman he is not sure that this is absolutely the correct figure.

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. HOPE. As I understand the gentleman's position, if it should develop later that that figure is not adequate to cover reasonable administrative costs, the gentleman is willing to agree to a larger figure if the Senate should increase that to a figure which does appear to be more in line with the information available then as to the facts?

Mr. AUGUST H. ANDRESEN. That is correct. I hope we will find the figure too high so that we can lower it, but if it is too low I want to make it so that the program will succeed. You will notice in my amendment I eliminated the crop year 1945, and I did that for a purpose so that they can go ahead and institute this new program. It may require more money. The limitation on the administrative expenses will begin for the crop year 1946.

Mr. HOPE. I think that is advisable.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was agreed to.

The Clerk read as follows:

Sec. 3. That subsection (c) of section 508 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"(c) To adjust and pay claims for losses in the agricultural commodity or in cash, under rules prescribed by the Board: *Provided, however, That if the total amount of approved claims for losses on any agricultural commodity for any year exceeds the total amount of premiums collected plus the ac-*

cumulated premium reserves of the Corporation with respect to such commodity, such claims shall be paid on a pro rata reduced basis, but for the first 3 crop years with respect to which insurance has been in effect on any crop after the enactment of this act the payment shall not be reduced by more than 15 percent of the amount of the approved claim. The Corporation shall provide for the posting annually in each county at the county courthouse of a list of indemnities paid for losses on farms in such county. In the event that any claim for indemnity under the provisions of this title is denied by the Corporation, an action on such claim may be brought against the Corporation in the United States district court, or in any court of record of the State having general jurisdiction, sitting in the district or county in which the insured farm is located and jurisdiction is hereby conferred upon such district courts to determine such controversies without regard to the amount in controversy: *Provided, That no suit on such claim shall be allowed under this section unless the same shall have been brought within 1 year after the date when notice of denial of the claim is mailed to and received by the claimant.*"

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 4, line 23, after "basis", strike out the comma and insert in lieu thereof a period, and strike out all thereafter down to and including the word "claim", in line 2, on page 5.

Mr. SMITH of Ohio. Mr. Chairman, I need explain this amendment only briefly. This takes out of the bill the doubt as to who is going to pay for the cost of this program, except, of course, the administrative cost. As this bill is written, it opens the way for losses which must be met by the Government. My amendment simply strikes out that provision which provides for taking care of these losses by the Federal Treasury; in other words, if the administration of the agency operating the plan knows that there is no money to come from the Treasury for the payment of losses it will so operate it, if it goes into effect, that there will be no losses, if of course, that agency follows the law.

I do not believe it is necessary for me to explain this amendment any further.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is not the effect of the gentleman's amendment to make this Corporation merely a mutual insurance corporation? In other words, the indemnities would be paid altogether from premiums which had been paid in by the policyholders.

Mr. SMITH of Ohio. Correct.

Mr. COOLEY. Does the gentleman think the Corporation would be of much value to the farmers of the Nation under such circumstances, if it is made actuarially sound from the very beginning?

Mr. SMITH of Ohio. This has been tried for 5 years.

Mr. COOLEY. I should like to differ with the gentleman; it has not been tried on this basis. This is an entirely new approach to the problem and quite different from the original approach.



Mr. SMITH of Ohio. I do not think it is a new approach to the problem. This is the same sort of bureaucratic set-up as the other was. There is nothing fundamentally new whatever about it.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in my opinion this amendment would be the death knell to crop insurance. What we do here today is going to determine largely the policy of this Government with reference to the insurance of farm crops.

The bill provides that for the first 3 years the policy covers 75 percent of the loss of the average yield. During those 3 trial years, if the premiums are not sufficient to pay off 75 percent of the losses, then those losses cannot be reduced lower than 15 percent. That is, for the first 3-year period. We know that the crop-insurance program will have to struggle in the beginning before enough policyholders are brought in to make it a success. Every other insurance company had to struggle in the beginning and many of the insurance companies today are paying 100 percent of the first premiums collected. Fire insurance companies, I understand, are paying as much as 45 percent of the premium collected to agents who secure the business. After this initial period of 3 years the bill provides for the program to go upon a mutual basis. Then the premiums collected will have to take care of the indemnities. If the premiums are insufficient to take care of the 75 percent coverage, then the premium will have to be prorated among the policyholders. Let us give this bill a fair test.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. H. CARL ANDERSEN. Does not the gentleman feel that the adoption of this amendment will mean the killing of the bill?

Mr. FLANNAGAN. That is what it will mean.

Mr. H. CARL ANDERSEN. That is my opinion.

Mr. FLANNAGAN. That is just what it will mean.

Mr. ANDERSON of New Mexico. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. ANDERSON of New Mexico. Is it not a fact that the adoption of this amendment will make every farmer a coinsurer for all the rest of the people in his neighborhood, and he is going to stay out of that type of insurance?

Mr. FLANNAGAN. That is right.

Mr. ANDERSON of New Mexico. This amendment will absolutely destroy the bill if it is adopted.

Mr. FLANNAGAN. That is right. I do not know of any better way to destroy the bill than to adopt this amendment. I hope it will be the pleasure of the Committee to vote it down.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. SMITH of Ohio. Is it not a fact that this provision, as it is written in the

bill, does open the way to losses which would have to be paid by the Government?

Mr. FLANNAGAN. Oh, there may be a small loss for the first 3 years. The bill, however, does not open the way to losses. The farmers have no control over their losses. This bill provides for a 75-percent coverage, but in no case to exceed the actual cost or amount that the farmer has invested in the crop at the time it is destroyed. For the first 3 years it guarantees to the farmer, who takes insurance, a 75-percent coverage, with a limitation that that coverage cannot be reduced more than 15 percent. Thereafter the indemnities will have to be paid out of the premiums.

Mr. SMITH of Ohio. But it says to be reduced not more than 15 percent.

Mr. FLANNAGAN. That is right. It cannot be reduced to less than 15 percent of the amount of the approved claim.

Mr. SMITH of Ohio. But the gentleman says there is no possible way that this provision opens the way for losses. I would like to have the answer in the Record.

Mr. FLANNAGAN. Yes; I say that and I stand by that statement. This will not open the way to losses any more than striking it out will open the way to losses. The loss is occasioned by some act over which the farmer has no control. The farmer does not bring about the loss.

The only thing the provision does is to guarantee to the farmers that for the first 3 years his loss cannot be reduced to an amount less than 15 percent of the approved claim.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. That subsection (e) of section 508 of the Federal Crop Insurance Act, as amended, is hereby repealed.

SEC. 5. That section 518 of the Federal Crop Insurance Act, as amended, is amended to read as follows:

"Sec. 518. 'Agricultural commodity,' as used in this title, means wheat, cotton, flax, corn, tobacco, rice, peanuts, soybeans, sugar beets, citrus fruits, tame hay, or any other agricultural commodity determined by the Board pursuant to subsection (a) (2) of section 508 of this title, or any one or more of such commodities, as the context may indicate."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 5, line 22, after the word "corn", insert "oats, barley, rye."

Mr. FLANNAGAN. Mr. Chairman, the committee will accept the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I move to strike out the last word. On yesterday a great many commodity amendments were accepted and made a part of subparagraph 2 on page 3.

I am wondering if there is some way by unanimous consent, by which all amendments and commodities that were adopted on page 3, can now be accepted without having to offer separate amendments.

Mr. FLANNAGAN. We will be happy to agree to that, because I do not think any one of those amendments changes the bill in any respect. The general language following the enumeration of crops mentioned in section 1, would certainly cover these other farm commodities.

Mr. AUGUST H. ANDRESEN. Will the gentleman make that unanimous-consent request now?

Mr. FLANNAGAN. Mr. Chairman, I ask unanimous consent that all amendments to subsection 2, of section 1, adding commodities, be consolidated and appear in the bill after the word "hay" on page 3, line 8.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, reserving the right to object, the gentleman means by that request that all those commodity amendments that were accepted will be included in the proper place in section 5?

Mr. FLANNAGAN. They would first appear on page 3, subsection 2, after the word "hay", line 8. Then they would appear again in line 23 on page 5, after the word "hay."

The CHAIRMAN. May the Chair ask the gentleman from Virginia if he intends to include the amendment made at the point following citrus fruits, and also the amendment with reference to dried beans?

Mr. FLANNAGAN. That is correct, Mr. Chairman.

The CHAIRMAN. The Chair is not advised that they come in with the other commodity amendments. They appear in the same position as on page 3.

Mr. FLANNAGAN. That is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I do not wish to unnecessarily take up any time of the House. However, a question arose here on the floor yesterday upon which I am constrained to comment briefly.

The gentleman from North Carolina [Mr. COOLEY] was addressing the House. He graciously yielded to me for the following question:

The gentleman assures us that this program will not become compulsory. What about the triple A? We were assured that the triple A would not become compulsory.

To this the gentleman from North Carolina [Mr. COOLEY] replied:

I do not agree with the gentleman. The Triple A is not compulsory in any respect. The farmer may completely ignore all of the provisions of the Triple A and go ahead and manage his own business. The Government merely offered some compensation to those conserving the topsoil of American farms.

I then asked the gentleman from North Carolina [Mr. COOLEY]:

What about the Supreme Court decision relating to the wheat-penalty case?

The gentleman from North Carolina [Mr. COOLEY] refused to make any answer to this question.

Now, I assert that it is utterly false for anyone to make the claim that the Triple A program is not compulsory. The Supreme Court in the wheat penalty case specifically and unequivocally ruled that a farmer who raised more wheat than the Triple A said he could raise had to pay a penalty of something like 49 cents per bushel on the excess.

It so happens that I am one of the persons over whose head now hangs a penalty for raising more wheat than the Triple A said I could raise. And, mind you, the law providing for the penalty was not passed until sometime in the summer following the fall when the wheat was sowed. The law was clearly retroactive.

I am not complaining about the money that is involved in the wheat penalty levied against me. That is as nothing. But to me and to every farmer who has had a penalty levied against him for raising wheat in excess of that allowed by the Triple A, and who in the future might wish to raise more wheat than allowed by it, this New Deal farm program is as compulsory as anything can be. To us it is tyranny of the same sort as that practiced by Hitler and Stalin. There is no essential difference.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. COOLEY. Was not the wheat-control program imposed upon the wheat farmers after a referendum had been conducted throughout the country in the wheat-growing area and two-thirds of the farmers were required to vote before it could be invoked?

Mr. SMITH of Ohio. No; that is not correct; two-thirds of the farmers did not even participate in the program. The gentleman ought to know that.

Mr. COOLEY. How could any control program be imposed upon them?

Mr. SMITH of Ohio. Here are some of the data relating to the strange device, something wholly foreign to our form of government and way of life, that provided for the so-called referendum on wheat quotas:

Total number of farmers in the United States, 6,096,799.

Total number of wheat farmers in the United States, 1,780,000.

Total number of wheat farmers with more than 15 acres who were eligible to vote on the wheat penalties, 970,000.

Only about 15 percent, or 1 in 6 farmers in the United States, was permitted to vote on the wheat penalties.

Only 54 percent of the wheat farmers in the United States were allowed to vote.

Only 31 percent, or 559,630, wheat farmers voted.

The ayes in that referendum were 453,569. The nays were 160,601.

So that only about 7 percent of the total number of farmers in the United States voted for the penalty.

Local and country Triple A committeemen and officials had complete control of the voting. Local A. A. A. committeemen

sat on the election board. Local committeemen and the county chairman of the A. A. A. selected members to fill any vacancies on the board.

Accordingly, the local committeemen and county chairman of the Triple A said who was eligible to vote, did the challenging, counted the votes, and gave out the returns.

Without reflecting in the least upon the integrity and good intentions of the Triple A officials and employees, it must be said that the manner in which the wheat quota referendum was held is not in accordance with the time-honored practices relating to voting on public questions that had been in vogue in this country up to the advent of the New Deal since the formation of the Republic.

Many other gross irregularities in that procedure could be pointed out.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. HOPE. Does the gentleman contend that there is any way by which this program can be made compulsory without further action by Congress?

Mr. SMITH of Ohio. Yes; I contend that there is a way by which this crop-insurance program can in effect be made compulsory without further action by Congress. In the first place, it is well known that the New Deal administration has little regard for the Constitution and does not hesitate to circumvent the statutes or construe them to its own liking whenever it serves its purpose to do so. Secondly, this program will be operated through the Triple A, which, if we may judge from past experience with that Federal agency, may not hesitate to use the power it already possesses over the farmers to pressure them into insuring their crops.

Mr. MURRAY of Wisconsin. Mr. Chairman will the gentleman yield?

Mr. SMITH of Ohio. I yield.

Mr. MURRAY of Wisconsin. I wish to call the gentleman's attention to the fact that with all this wet nursing there has never been a month during the last 2 years in which wheat has even been at parity price with all the billions that have been poured into this program.

Mr. SMITH of Ohio. I gladly accept that statement as being correct.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ANDERSON of California. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the unanimous-consent request of the gentleman from Virginia.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a good, sound crop-insurance program is one of the pillars of a prosperous and permanent agriculture. Many of us found it necessary last spring to vote against the continuation of the old plan of insurance which was far too costly to the taxpayers of America, and

which did not meet the needs of the average farmer.

Private insurance companies cannot assume the risk of covering a large devastated area of crops localized as such devastation usually is through hail storms and the like.

Personally, I am much opposed to our Government entering any field which can satisfactorily be taken care of by private business but the field of crop insurance is so vast and so hazardous that proper coverage cannot be obtained by the average farmer.

This is well illustrated by the high premium rates which private companies are forced to charge for coverage against hail storms, a premium rate which practically makes it impossible for the average farmer to insure his crop in my home township.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has offered an amendment which was accepted this afternoon and which provides that the administrative expenses in connection with the operation of this crop insurance program will be held down beneath an amount equal to 25 percent of the yearly income from premiums.

This limitation assures to the Congress and to the people of the United States that this program will be operated as nearly as possible on a pay-as-you-go basis.

We all of us want to see a sound crop-insurance program and I feel that this bill as written today, especially including the amendment proposed by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] which was adopted, will form the basis of that sound program.

It is my hope that this proposed legislation will pass this House by a large majority and be enacted into law shortly.

The Chairman, there being no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. SPARKMAN, Chairman of the Committee of the Whole House on the state of the Union reported that the Committee having had under consideration the bill (H. R. 4911) to amend the Federal Crop-Insurance Act pursuant to House Resolution 605, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not the Chair will put them en grosse.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes, 102; nays, 5.

Mr. TARVER. Mr. Speaker, I object to the vote on the ground there is no



quorum present and make the point of order that there is not a quorum present.

The SPEAKER pro tempore. Obviously a quorum is not present. The roll call is automatic. The Clerk will call the roll.

The question was taken; and there were—yeas 255, nays 16, not voting 160, as follows:

[Roll No. 116]

YEAS—255

Abernethy	Flannagan	Murray, Wis.
Allen, Ill.	Folger	Myers
Allen, La.	Forand	Newsome
Andersen,	Fuller	Norman
H. Carl	Furlong	Norrell
Anderson, Calif.	Gathings	Norton
Anderson,	Gearhart	O'Brien, Mich.
N. Mex.	Gerlach	O'Hara
Andresen,	Gifford	O'Toole
August H.	Gillespie	Outland
Andrews, Ala.	Gillette	Pace
Andrews, N. Y.	Goodwin	Patton
Angell	Gordon	Peterson, Fla.
Arends	Gore	Peterson, Ga.
Arnold	Gorski	Phillips
Auchincloss	Graham	Pittenger
Baldwin, Md.	Grant, Ala.	Ploeser
Baldwin, N. Y.	Gregory	Plumley
Barrett	Griffiths	Pratt
Bates, Ky.	Gross	Joseph M.
Beall	Gwynne	Price
Beckworth	Hagen	Priest
Bennett, Mich.	Hale	Ramspeck
Bennett, Mo.	Hall	Randolph
Bishop	Edwin Arthur	Rankin
Blackney	Halleck	Reece, Tenn.
Bland	Hancock	Reed, Ill.
Bloom	Harness, Ind.	Reed, N. Y.
Bouner	Harris, Ark.	Richards
Boren	Hart	Rivers
Brehm	Hays	Robertson
Brooks	Herter	Robinson, Utah
Brown, Ga.	Hess	Robison, Ky.
Brown, Ohio	Hill	Rockwell
Brumbaugh	Hoch	Rodgers, Pa.
Bryson	Holmes, Mass.	Rogers, Mass.
Buck	Hope	Rohrbough
Burch, Va.	Horan	Rooney
Burdick	Hull	Rowe
Camp	Izac	Sadowski
Canfield	Jarman	Sasser
Cannon, Mo.	Jeffrey	Sauthoff
Carrier	Jenkins	Schwabe
Carter	Jennings	Schryner
Case	Jensen	Shafer
Celler	Johnson,	Sheridan
Chapman	Anton J.	Simpson, Ill.
Chiperfield	Johnson, Okla.	Simpson, Pa.
Church	Judd	Smith, Maine
Clason	Kearney	Smith, Va.
Clevenger	Kefauver	Smith, W. Va.
Cochran	Kerr	Smith, Wis.
Cole, Mo.	Kinzer	Snyder
Cole, N. Y.	Kirwan	Sparkman
Colmer	Kunkel	Spence
Cooley	LaFollette	Springer
Cooper	Lane	Stanley
Courtney	Larcade	Stefan
Cox	Lea	Stevenson
Cravens	LeFevre	Stockman
Crawford	Lemke	Sullivan
Crosser	Lewis	Talbot
Curtis	Luce	Talle
D'Alesandro	Ludlow	Taylor
Daughton, Va.	McConnell	Tibbott
Davis	McCord	Torrens
Day	McCormack	Troutman
Delaney	McCowan	Voorhis, Calif.
Dickstein	McGregor	Vursell
Dilweg	McMillan, S. C.	Wadsworth
Dingell	McMillen, Ill.	Walter
Domengaues	McMurray	Wasielewski
Dondero	McWilliams	Weaver
Doughton, N. C.	Maas	Welch, Ohio
Dworshak	Madden	Welch
Eaton	Manasco	Whitten
Elliot	Martin, Iowa	Whittington
Ellis	Martin, Mass.	Wigglesworth
Ellison, Md.	Mason	Wiley
Ellsworth	Morrow	Wilson
Elmer	Michener	Winstead
Elston, Ohio	Miller, Nebr.	Wolcott
Engle, Calif.	Mills	Wolfenden, Pa.
Fellows	Monkiewicz	Woodruff, Mich.
Fenton	Morrison, La.	Woodrum, Va.
Fish	Mott	Wright
Fitzpatrick	Murdock	Zimmerman

#### NAYS—16

Buffett	Kleberg	Smith, Ohio
Compton	McGehee	Sundstrom
Disney	May	Taber
Hoffman	Miller, Conn.	Tarver
Jones	Miller, Mo.	
Kean	Sheppard	

#### NOT VOTING—160

Barden	Hare	Murphy
Barry	Harless, Ariz.	Murray, Tenn.
Bates, Mass.	Hartley	O'Brien, Ill.
Bell	Hébert	O'Brien, N. Y.
Bender	Heffernan	O'Connor
Bolton	Heldinger	O'Konski
Boykin	Hendricks	O'Neal
Bradley, Mich.	Hinshaw	Patman
Bradley, Pa.	Hobbs	Pfeiffer
Buckley	Hoeven	Philbin
Bulwinkle	Holifield	Poage
Burchill, N. Y.	Holmes, Wash.	Poulson
Burgin	Howell	Powers
Busbey	Jackson	Pracht
Butler	Johnson,	C. Frederick
Byrne	Calvin D.	Kabaut
Cannon, Fla.	Johnson, Ind.	Ramey
Capozzoli	Johnson,	Rees, Kans.
Carlson, Kans.	J. Leroy	Rizley
Carson, Ohio	Johnson,	Rolph
Chenoweth	Luther A.	Rowan
Clark	Johnson,	Russell
Coffee	Lyndon B.	Sabath
Costello	Johnson, Ward	Satterfield
Cunningham	Jonkman	Scanlon
Curley	Kee	Schiffner
Dawson	Keefe	Scott
Dewey	Kelley	Short
Dies	Kennedy	Slaughter
Dirksen	Keogh	Somers, N. Y.
Douglas	Kilburn	Starnes, Ala.
Drewry	Kilday	Stearns, N. H.
Durham	King	Stewart
Eberharter	Klein	Stigler
Engel, Mich.	Knutson	Sumner, Ill.
Fay	Lambertson	Sumners, Tex.
Feighan	Landis	Thomas, N. J.
Fernandez	Lanham	Thomas, Tex.
Fisher	LeCompte	Thomason
Fogarty	Lesinski	Tolan
Ford	Lynch	Towe
Fulbright	McKenzie	Treadway
Fulmer	McLean	Vincent, Ky.
Gale	Magnuson	Vinson, Ga.
Gallagher	Mahon	Vorrys, Ohio
Gamble	Maloney	Ward
Gavin	Mansfield,	Weiss
Gibson	Mont.	Wene
Gilchrist	Mansfield, Tex.	West
Gillie	Marcantonio	Whelchel, Ga.
Gossett	Merritt	White
Granger	Miller, Pa.	Wickersham
Grant, Ind.	Monroney	Winter
Green	Morrison, N. C.	Wolverton, N. J.
Hall,	Mruk	Worley
Leonard W.	Mundt	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Hare with Mr. Knutson.
Mr. Barry with Mr. Hoeven.
Mr. Wickersham with Mr. Dirksen.
Mr. Heffernan with Mr. Kilburn.
Mr. Coffee with Mr. Ramey.
Mr. Byrne with Mr. Carlson of Kansas.
Mr. Lesinski with Mr. Rizley.
Mr. Keogh with Mr. Powers.
Mr. O'Connor with Mr. Hartley.
Mr. Lynch with Mrs. Bolton.
Mr. Rabaut with Mr. Gillie.
Mr. O'Neal with Mr. Grant of Indiana.
Mr. Vinson of Georgia with Mr. Johnson of Indiana.
Mr. Bulwinkle with Mr. Wolverton of New Jersey.
Mr. Pfeiffer with Mr. Chenoweth.
Mr. Hendricks with Mr. Gamble.
Mr. Somers of New York with Mr. Cunningham.
Mr. Holifield with Mr. LeCompte.
Mr. Boykin with Mr. Keefe.
Mr. Curley with Mr. Jonkman.
Mr. Fogarty with Mr. Engel of Michigan.
Mr. Drewry with Mr. Mundt.

Mr. Mansfield of Texas with Mr. Rees of Kansas.

Mr. Hobbs with Mr. Short.  
Mr. Philbin with Mr. Thomas of New Jersey.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

Mr. FLANNAGAN. Mr. Speaker—

The SPEAKER. Does the gentleman from Virginia desire recognition in connection with the bill just passed?

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD certain data which I thought had been inserted during the consideration of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

(The matter referred to follows:)

#### ESSENTIAL PROVISION OF H. R. 4911, TO AMEND THE FEDERAL CROP INSURANCE ACT

1. Insurance is authorized beginning with the 1945 crop on wheat, cotton, and flax. Flax was added in one of the later committee drafts of the bill. Flax is grown in areas where wheat is grown and many farmers produce both crops. The two crops are subject to many of the same hazards. It is probable that the insurance contract and related forms for wheat could readily be adapted to flax insurance.

2. The insurance coverage, in addition to being limited to 75 percent of the average yield for the insured farm, would be limited also under this bill to the investment in the crop. This additional limitation will provide more conservative insurance. It is believed that this limitation will apply most frequently when the insured crop is abandoned because of the smaller investment in a crop that is not completed. In such cases it may reduce the indemnity owed to the insured to a considerable extent and for the Corporation as a whole it should reduce the amount of losses paid by a rather large amount. At the same time it would not work a hardship in the insured farmer, because where the crop is abandoned the insured does not have the expense of carrying the crop to completion and oftentimes is enabled to use the land for a substitute crop. It has become more and more apparent in recent years that the present plan of insurance provided disproportionately large insurance in cases of abandoned crops and the Corporation had devised a somewhat different plan to meet this problem under the original legislation. An outline of this problem is given in the 1943 annual report of the Federal Crop Insurance Corporation (p. 9).

The insurance plan used in the past has been based on the assumption that the productivity of the farm in the past is the best advance indication of what it should produce in the year of insurance and therefore the history of yields on the farm was used as the basis of the coverage. However, the yield of the crop in the year of insurance will also be substantially influenced by the amount of fertilizer used, the extent and character of the preparation of the soil and the care of the crop. Using the investment as one basis of coverage these factors will be reflected in the amount of insurance protection.

Another feature of H. R. 4911 that would provide a more conservative coverage and eliminate overinsurance is the repealing of the provision in the cotton insurance relative to loss of cottonseed. Under that provision both premiums and indemnities were increased by a certain formula to cover loss

of cottonseed. The increase in 1943 was 20 percent. The continuation of that provision for cottonseed would have been inconsistent with the provision in the bill limiting the coverage to the investment in the crop.

3. The bill authorizes a trial of insurance on certain crops for a period of 3 years in not to exceed 20 representative counties for each crop. This provision covers corn, tobacco, rice, peanuts, soybeans, sugar beets, citrus fruits, tame hay, and any other agricultural commodity, if sufficient actuarial data are available, as determined by the Board. The insurance coverage may be the same as provided for wheat, cotton, and flax, or may be a percentage, not in excess of 75 percent, of the investment in the crop. The Corporation shall report to Congress the results of its operations as to each crop.

The Corporation, under the present act, has authority to conduct research work relative to other crops, but much can be learned from an experiment that cannot be learned from studies. It would seem that provision for a trial program on a small scale, following the research work, would be a sound approach toward extending crop insurance to other crops. Much has to be learned by experience and can be learned at less cost to the Government through a small experiment than through a broad program of insurance available to all farmers. While provision is made for trial in 20 counties it is not contemplated that more counties will be used than is necessary for a satisfactory test.

4. H. R. 4911 provides that insurance will not be provided in any county unless applications are filed for insurance on 100 farms or if less than 100 farms on at least one-third of the farms normally producing the crops subject to insurance. There is a qualifying provision, however, that some farms in such counties may be insured if they are

in a local producing area bordering on a county with a crop-insurance program.

It was believed that this provision would accomplish two ends. First, it would reduce the expenses by eliminating insurance where the volume of business is small and the administrative cost per contract consequently high; and second, it would induce farmers who wanted insurance to help sell the idea of insurance to other farmers in their community. In this respect it would introduce something of a mutual or cooperative feature. The Corporation in the past has had many counties with very small participation both in absolute numbers and in relative proportion to the number of farms in the county. No minimum participation requirements have been made previously because the program was new and A. A. A. offices were available in all counties for local administration.

5. H. R. 4911 provides for the establishment of premiums that are deemed adequate to cover crop losses and to provide in 3 years a reasonable reserve against unforeseen losses. The original legislation provided for separate premium rates for each farm based in part on the crop-loss experience for such farm. It is believed that in many cases accidental factors so affected the crop-loss experience for individual farms that premium rates so computed did not properly reflect the probability of future losses. This formula has, therefore, been removed from the legislation and the Corporation would be given broad authority as to the method of determining the appropriate premium rate.

6. H. R. 4911 provides that if in any year the premiums collected and reserves applicable to any crop are not adequate to meet the losses on the crop, the amount available is to be prorated over all claims, except that for the first 3 years insurance is in effect with respect to any crop after the enactment of

the legislation, no claim would be reduced by more than 15 percent.

After that 3-year period the indemnified losses each year on each crop would be limited to the premium collected and the accumulated reserves. Insurance would be less attractive with this provision because the insured would never know exactly how much protection he had. It was believed, however, that other changes in the legislation would improve the loss experience so that the reduction by proration would not be large and that this could be demonstrated in 3 years. During those 3 years the limitation of 15 percent on the reduction of claims by proration would provide the insured with a more definite amount of insurance protection.

7. Provision is made for giving local publicity to the losses paid on individual farms by posting annually in each county at the county court house a list of indemnities paid for losses on farms in the county.

Since under the proration provision the amount which an insured may collect will depend to some extent on the losses paid to other farmers, it was believed that each insured farmer was entitled to know what indemnities were paid to other insured farmers.

8. H. R. 4911 provides that legal action on claims may be brought not only in the United States district courts as formerly but in State courts of record.

The original legislation provided that claims might be brought only in United States courts so that more uniformity of interpretation might be obtained. The change was proposed by the committee with the thought that State courts would be more accessible or convenient to the insured.

9. H. R. 4911 gives the Corporation definite authority to limit (which means also refuse) insurance in any county or area, or on any farm, on the basis of the insurance risk involved.

TABLE 1.—Federal crop-insurance experience—United States summary by years, as of June 30, 1944

Commodity and crop year	Farms insured <sup>1</sup>		Indemnities	Insured acreage	Insured production	Commodity basis			Monetary basis			
	Insurance written	Insurance in force				Premiums	Indemnities	Surplus or deficit (—)	Premiums	Indemnities	Gain or loss from commodity transactions	Surplus or deficit (—)
Wheat:	Number	Number	Number	Acres	Bushels	Bushels	Bushels	Bushels				
1939.....		165,775	55,932	7,010,390	60,826,075	6,670,315	10,163,899	—3,493,584	\$3,410,940.10	\$5,601,561.79	—\$1,417.71	—\$2,192,039.40
1940.....	379,710	360,596	112,762	12,754,834	108,284,574	13,796,798	22,898,147	—9,102,349	9,155,062.21	13,694,263.62	—175,225.59	—4,714,427.00
1941.....	420,940	371,390	130,774	11,734,263	104,306,380	12,643,051	18,857,243	—6,214,192	7,096,366.64	18,925,433.85	4,182,654.71	—7,646,412.50
1942.....	504,047	400,043	108,308	9,630,265	88,063,150	8,769,715	10,574,927	—1,805,212	8,447,498.18	13,666,902.68	1,738,922.15	—3,480,482.35
1943.....	487,663	357,733	133,076	8,148,800	75,264,000	8,035,124	13,209,955	—5,174,831	10,625,480.33	19,705,072.29	912,775.32	—8,166,816.64
Total wheat.....		1,655,537	540,912	49,278,552	436,744,179	49,915,003	75,704,171	—25,789,168	38,735,347.46	71,593,234.23	6,657,708.88	—26,200,177.89
Cotton:					Pounds	Pounds	Pounds	Pounds				
1942.....		169,072	47,744	2,816,462	407,611,601	31,435,750	52,536,269	—21,100,519	6,302,938.89	11,254,151.87	207,840.90	—4,743,372.08
1943.....		164,998	40,632	2,690,279	386,690,312	30,744,370	56,800,979	—20,056,609	6,852,495.82	13,006,746.01	—125,795.40	—6,280,045.59
Total cotton.....		334,070	88,376	5,506,741	794,301,913	62,180,120	109,337,248	—47,157,128	13,155,434.71	24,260,897.88	82,045.50	—11,023,417.67
Other charges.....												—3,448.00
Total.....		1,989,607	629,288	54,785,293					51,890,782.17	95,854,132.11	6,739,754.38	—37,227,043.56

<sup>1</sup> Includes duplication where both landlord and tenant are insured.

<sup>2</sup> Estimated.

TABLE 2.—Summary of administrative expenses by appropriations, as at June 30, 1944

Fiscal year—	Net appropri- ations <sup>1</sup>	Expenditures						Savings	
		Federal Crop Insurance Corporation			Cooperating agencies				Total expend- itures
		General	Storage	Total	Agricultural Adjustment Agency	Other	Total		
1938.....	\$965,000	\$234,546.07		\$234,546.07				\$234,546.07	\$730,453.93
1939.....	5,000,000	1,648,390.41	\$305,621.27	1,954,011.68	\$2,245,743.31	\$151,580.77	\$2,397,324.08	4,351,335.76	648,604.24
1940.....	5,823,200	1,320,437.79	858,317.17	2,178,754.96	3,280,167.88	191,916.17	3,472,084.05	5,650,839.01	172,360.99
1941.....	5,523,200	1,148,169.32	865,588.89	2,013,758.21	2,814,439.96	200,737.64	3,015,177.60	5,028,935.81	494,264.19
1942.....	8,599,827	1,598,212.74	—178,856.96	1,419,355.78	5,123,260.67	232,994.08	5,356,254.75	6,775,610.53	1,784,216.47
1943.....	8,572,954	1,352,122.05	—57,720.33	1,294,401.72	4,884,579.00	269,641.07	5,154,220.07	6,448,621.79	2,124,332.21
12-112/8000.017.....	550	494.22		494.22				494.22	55.78
1944.....	3,150,000	905,708.10	44,109.43	949,817.53	770,000.00	17,272.00	787,272.00	1,737,089.53	1,412,910.47
Total.....	37,594,731	8,208,080.70	1,837,059.47	10,045,140.17	19,118,190.82	1,064,141.73	20,182,332.55	30,227,472.72	7,367,258.28

<sup>1</sup> Adjusted to reflect reappropriations: \$500,000, 1939 to 1940; \$100,000, 1940 to 1941; \$350,000, 1944 to 1945.

NOTE.—See p. 3 of annual report for reduction in cost per insured farm.



[From report of the Wheat Crop Insurance Consulting Committee, p. 37]

#### COMPARISON WITH FIRE INSURANCE COMPANIES

A comparison of the ratio of the operating expenses of the Corporation with the ratio of expenses of the 18 largest stock fire insurance companies operating in the United States, each having premiums written in 1940 of more than \$10,000,000, as shown in the reports of Alfred M. Best Co., and with the ratio of expenses of approximately 372 stock fire insurance companies and 175 mutual fire insurance companies, as set out in the Spectator Yearbook, Fire and Marine, 1940, 1941, and 1942, shows the following:

TABLE A.—Percentage of expense to premiums

	Federal Crop Insurance Corporation	18 largest stock fire companies	371-372 stock fire companies	168-176 mutual fire companies
	Percent	Percent	Percent	Percent
1939.....	54.5	51.3	50.6	36.1
1940.....	34.9	48.7	47.8	36.2
1941.....	33.2	46.6	45.6	32.3
Aggregate for 3 years.....	38.5	48.7	47.7	34.7

"Premiums written" for the corporation represents the bushels of wheat collected from farmers (in dollars) less cancellations, plus the part of the congressional appropriation used for expenses. For the private companies it represents gross premiums written less cancellations and reinsurance.

"Expenses incurred" for the corporation includes that part of the congressional appropriation used for underwriting (operating) expenses, including loss adjustment expense, and excludes investment (wheat) expense. For the private companies it includes, with underwriting expense, loss adjustment expense, and excludes investment expense.

From the standpoint of the operation of an insurance business, the administrative expenses of the corporation over the first 3 years compare favorably with those of the fire-insurance companies, which have generally operated over long periods.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### PROGRAM FOR THE BALANCE OF THE WEEK

Mr. McCORMACK. Mr. Speaker, I wish to announce for the information of the House, so that the Members will know, what the program for the remainder of the week and the early part of next week will be, and so that they may govern themselves accordingly.

We will adjourn over tomorrow. That has already been agreed upon. The next order of business will be consideration of a rule on the so-called road bill which will be all for today.

On Friday next the road bill will come up under general debate. There will be no debate on that bill under the 5-minute rule. The road bill will then go over until Tuesday next for consideration under the 5-minute rule.

On Monday we will consider bills on the Consent Calendar. My announcement now does not constitute a state-

ment of the program for next week but just covers the road bill so that the Members who go home for Thanksgiving may govern themselves in accordance with the statement I have just made that nothing controversial in relation to the road bill will come up before Tuesday next.

#### EXTENSION OF REMARKS

Mr. COMPTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a letter from the South Pacific.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech I made.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WEICHEL of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a news item.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the American Farm Bureau Federation and one from the National Grange.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

#### FEDERAL-AID ROAD ACT

Mr. COX. Mr. Speaker, I call up House Resolution 654, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4915) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended and supplemented, to authorize appropriations for the post-war construction of highways and bridges, to eliminate hazards at railroad grade crossings, to provide for the immediate preparation of plans and acquisition of rights-of-way, and for other purposes. That after debate, which shall be confined to the bill and shall continue not to exceed 3 hours to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Roads, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as shall have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield at this time 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, as has been observed, this resolution proposes to make in order consideration of the so-called road bill, H.

R. 4915. It is an open rule, which means that the bill will be considered under the general rules of the House.

There has been some difference of opinion with respect to this bill, but all Members will have the opportunity to offer amendments and have them considered where they are germane to the bill. Because of the tremendous amount of money involved, an authorization of Federal expenditures to the extent of a billion and a half dollars, and because of the importance of the subject matter and general interest, your Committee on Rules suggests that 3 hours of general debate be had. It is my understanding that since the Committee on Rules heard members of the Committee on Agriculture on the application for the rule, that differences then existing between members of that committee have been largely reconciled by agreement, and that the committee in charge of the bill will offer those amendments when read under the 5-minute rule.

It is not my purpose or desire to discuss the merits of the bill. The committee handling the measure has spent a great deal of time in its consideration, and are well informed. They will be able to answer all questions and clear up all doubts that may be upon the minds of the Members of this body.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. FISH] for 30 minutes.

Mr. FISH. Mr. Speaker, I yield myself 12 minutes.

Mr. Speaker, this is one of the post-war planning bills. It is brought to the House by unanimous vote of the Committee on Rules as a part of the program to solve the most far-reaching problem affecting the destiny of America with which this House and its Members and the American people are confronted.

Some people might differ with that statement. They might say that the war is the greatest issue with which we are confronted. I submit that we are in the process of solving that issue thoroughly, efficiently, and rapidly. We are on the march to victory on land, sea, and air. It is merely a question of time when we will achieve victory in Germany, maybe 6 months or less, and a year or so in Japan. We have made the efforts. We have raised the troops. We have equipped and armed them. They are on the march to victory all over the world.

The second big problem with which we might be confronted is winning the peace, but we in the House have very little to do with that. Furthermore, we could not accomplish anything until we know the peace and war aims of our allies.

The other problem, which I believe is far greater, far more vital, and of more far-reaching effect on the destiny of America, is the question of putting veterans to work, 11,000,000 of them, when they return home, and giving them jobs at a decent standard of wages and of living, and of putting 11,000,000 more American wage earners, who will be demobilized from the war factories, into peacetime jobs. This is part of the program, a public-works part, and, of

course, the smallest part, involving \$500,000,000 a year for 3 years.

If we fail to solve this problem of unemployment it will bring about chaotic conditions in this country such as we have never seen, and may destroy free enterprise and even our own free institutions and bring about the substitution of some form of national socialism in America and totalitarianism, which our sons are fighting against all over the world. This is a small part of the program, although it costs \$1,500,000,000.

The real problem is expanding private enterprise so that it will take care of some 20,000,000 additional wage earners by providing them with permanent jobs.

I have the utmost respect for the statements emanating from the White House and the President of the United States, who has just been reelected by a large electoral vote and a very substantial vote of the people. He said in the closing days of the campaign that he had made plans, and he literally guaranteed those plans would put 60,000,000 American wage earners to work after the war. I hope to God that is true. I hope there is substance to that remark. I hope he has plans, blueprints, and specifications that will provide jobs for 60,000,000 Americans. Only time will tell. If this turns out to be mere campaign oratory then President Roosevelt will be held strictly accountable by the American people but in the meanwhile, God save America.

I am certainly not prepared to state here as a Member of the Congress that the Congress can pass any legislation that will guarantee jobs for 60,000,000 people. As much as I think it is desirable and as much as we Republicans and Democrats alike want to do it, at the very peak of prosperity in America prior to the war there never were more than 48,000,000 people at work in this country. Today 66,000,000 people are employed, including eleven or twelve million in the armed forces. As I pointed out, at the very peak and height of prosperity in the entire history of America we never had more than 48,000,000 people employed.

Back in 1937 and 1938 our national income was \$67,000,000,000. Today, in the midst of war, it is \$160,000,000,000. But at the height and peak of prosperity, maybe fictitious prosperity, back in 1929, our national income only reached the peak of \$90,000,000,000. Today, during the war, it is \$160,000,000,000. If it goes back to what it was prior to the war, \$67,000,000,000, naturally we cannot take care of 60,000,000 wage earners, or 50,000,000, maybe not 45,000,000 wage earners.

Efforts must be made to expand our industry and free private industry so as to take care of this huge job. But I am not opposing this bill. I am in favor of it. This is part of the program. This has to do with public works, for which the Government puts up 50 percent and the States 50 percent to build highways and roads. Of course, that will employ some people, a limited number, and will put certain factories to work throughout the country. I am wholeheartedly in favor of this part of

the program, but I want to point out that it is an infinitesimal, a very small part of the program of that grave major issue of putting 22,000,000 American wage earners back to work after the war has been won. That is the biggest single problem. That is the problem that you in the next Congress, under the leadership of my friend the gentleman from Mississippi [Mr. COLMER], will have to try to help solve. I believe that with him as chairman of the Committee on Post-war Economic Policy and Planning the House will get at least sound recommendations for constructive and essential legislation. That committee is already laying the groundwork to solve that tremendous and far-reaching peacetime problem of employment that affects the destiny of America.

As far as this bill is concerned, I approach it also from the viewpoint of an interested party. When, as a member of the subcommittee on Public Works of the Committee on Post-war Economic Policy and Planning, which held hearings in New York City, we had before us as a witness, Commissioner Robert Moses of New York, probably the best-informed man in America on road building and road planning. In reply to a question from me he stated that one of the first programs which would go into effect after the Congress appropriated this money, which we are about to authorize, would be the building of a superhighway on the west bank of the Hudson River. May I say to the gentleman from New Jersey [Mr. EATON], who is sitting just in front of me that this proposed highway would run through part of New Jersey, over the Palisades, for which Mr. Rockefeller has already spent \$16,000,000 of his own money to buy up the rights-of-way, and the properties, to have a main trunk highway or superhighway built from New York City over the top of the Palisades up into Rockland and Orange Counties up through my own district, connecting up with other main roads. To that extent I am naturally an interested party. New York City needs, in order to break up the bottleneck, more superhighways on the west side, the New Jersey side, which, may I say to the gentleman from New Jersey, to a large extent, has been overlooked. The other side, up the Hudson River on the east side and up through New England, have more highways. But our road facilities to Rockland County and Orange County are very very limited. Inasmuch as Mr. Rockefeller has already given \$16,000,000 and has acquired the rights-of-way, I hope that we, Commissioner Moses, and the State legislature will agree to give priority to the construction of this superhighway over the Palisades up into Rockland and Orange Counties. I know my friends in the legislature are very much in favor of this road.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I certainly yield to my distinguished colleague.

Mr. COLMER. I merely ask the gentleman to yield to make public record of the splendid contribution by the distinguished gentleman from New York, now addressing the House, to the work of the

Committee on Post-War Economic Policy and Planning. As the ranking minority member of that committee, the gentleman from New York has done a splendid job. I know of no one who has taken that job of trying to plan for the future, which the gentleman is now discussing, more earnestly and conscientiously and sincerely than the gentleman himself. I regret very much under the circumstances, that the gentleman will not continue indefinitely with us in that work.

Mr. FISH. I thank the gentleman very much for his kind remarks. But the work that is being done by the gentleman's committee, in my humble opinion, is the most important work which is being done today in the Congress of the United States, because it deals with by far the most important and vital issue. As the gentleman well knows, we had daily hearings for month upon month and because of those daily hearings which the gentleman from Mississippi [Mr. COLMER], the chairman of the committee, myself, and many others attended, it was somewhat of a handicap for me in getting back into my district, a new district, which I should have done last spring and I believe if I had, the results on election day would have been different in Delaware County. But I think that was a sacrifice worth making. The work that the gentleman is doing with his committee deals directly with actual questions of employing 20,000,000 Americans and therefore with the future destiny of our country and maybe with our form of government.

Later on, as I have stated in the House, I propose to ask for 1 hour to talk on the national and international issues and some phases and aspects of my defeat in my campaign for reelection to the Congress. One thing that I have no control over, whatsoever, but which rather grieves me, is the fact that when we have important legislation such as we had today and yesterday in the House, and excellent speeches were made on crop insurance by Members of the House, including my distinguished friend the gentleman from Georgia [Mr. COX], the acting chairman of the Committee on Rules, yet there was no reference whatever to any of those speeches or even to the consideration of the bill in the daily press. I assume that the reason for that is that the war eclipses everything else and that the Congress in wartimes does not hold such a conspicuous public position as the Chief Executive and Commander in Chief of our armed forces or even of many others directly responsible for our war efforts, both civilian and military.

In the few minutes remaining I would like to state very briefly my views against one piece of legislation that is being broadcast through the newspapers. That is the building of the St. Lawrence seaway which is being pressed in this session of Congress, I think totally in vain, because I do not believe this Congress in the closing days of the session will have the time even to consider the merits or demerits of such a far-reaching proposition. I merely wanted to go on record at this time as being opposed to the construction of the St. Lawrence canal, which would divert trade and commerce



from New York City, Boston, Philadelphia, and Baltimore into a foreign country, up into the St. Lawrence River, which is frozen over 3 months of the year, and disrupt our great export and import trade in the city of New York and the port of New York, which has been built up over the last 100 years. I think any such proposition is utterly preposterous, to divert even into a most friendly nation which we all love and admire—Canada—our trade, at the expense of the American taxpayers. After all, our interest, duty, and obligation is to our own people, and to our own wage earners first. I have never thought it was reasonable to put the interest of America first, or that of the American people. I always have and I always will. I believe it is to the interest of America to provide for our own people, employ them, take care of them, and safeguard our own trade, and not divert it into some foreign nation by the use or abuse of the money of our own people and taxpayers.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. COX. I yield 3 minutes to the gentleman from Georgia [Mr. Brown].

Mr. BROWN of Georgia. Mr. Speaker, I am in favor of this rule. I am in favor of a bill along the lines proposed. I think it is very necessary that we have employment for our returning soldiers. I believe this is constructive, and in the interest of all the people.

I do believe, however, the House bill should be changed in some respects, and it is my understanding that the committee proposes to offer some amendments. I want to congratulate the committee, as I am sure they are endeavoring to bring out a bill which is acceptable to the people as a whole.

I do want to impress on the Members that some States will be unable to match the appropriation. I hope the bill will be amended in such a manner as to alleviate this situation so that all States will still receive a proportionate share. This is necessary to carry out the purpose and intent of Congress to give employment in these rural areas.

I hope the bill will be amended so that the funds which are appropriated for Federal-aid highway system will be apportioned to the States on the basis of section 21 of the Federal Highway Act. This in effect would apportion the funds to the States, one-third on the basis of total population, one-third on the basis of area, and one-third on the basis of rural post road mileage.

I further believe the funds for projects on the principal secondary and feeder roads, including farm-to-market roads, rural free delivery routes, and public school bus routes should be expended on a system of roads selected by the State highway departments in consultation with county supervisors, county commissioners, or other appropriate local road officials, and that the projects should not be subject to approval of a Federal commissioner of public roads.

It is further my opinion that it is undesirable to have a separate fund provided solely for the purpose of use in urban areas. I recognize the needs of

our city neighbors, but rather than provide a special fund for Federal-aid highways through urban areas, thus preventing a State from exercising its own judgment in apportioning the funds, it would seem preferable to have whatever portion of that fund necessary lumped with the Federal-aid highway fund and apportioned in accordance with section 21 of the Federal Highway Act. I believe an amendment accomplishing this should be adopted by the Members of the House.

These are some of the suggestions I hope the Members will adopt.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. COX. Mr. Speaker, I yield 2 additional minutes to the gentleman from Georgia.

Mr. BROWN of Georgia. When it comes down to roads within the county not in the highway system, I think the apportionment for those roads should be the same as it is in the Senate bill, S. 2105, as amended.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. WHITTINGTON. I may state for the gentleman's information that the committee has agreed upon an amendment that Federal aid funds shall be apportioned as heretofore: one-third, one-third, and one-third; and I am sure it will be agreeable information to the gentleman to know that the committee has also recommended that in the matter of rural highways the apportionment be more beneficially divided with respect to those roads so that rural areas will receive even a larger distribution than the one-third, one-third, and one-third. Secondly, in the matter of rural roads, the total amount authorized is to be increased from \$135,000,000 to \$150,000,000.

And with that statement and with the gentleman's permission let me say that this is the first great rural program—and urban program for that matter—that has ever been submitted to Congress; and with all due deference it strikes me that if the Federal Government is to pay one-half of the cost of rural roads, the Federal Government should not initiate the plans and specifications or the locations but that the Director of Roads should at least approve.

Mr. BROWN of Georgia. I thank the gentleman very much for this observation and statement. He never neglects the people in the rural sections.

I have a strong conviction that a road bill is a constructive step forward in providing not only a Nation-wide highway system but in meeting our post-war obligations to veterans of providing employment—employment not on a relief basis as in the days of W. P. A., but jobs, the efforts of which go to improve our Nation and its welfare.

I had hoped the size of the appropriation could have been trimmed; however, I realize a large sum is necessary because of our commitments to provide employment.

The SPEAKER pro tempore. The time of the gentleman from Georgia has again expired.

Mr. FISH. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. Eaton].

Mr. EATON. Mr. Speaker, I have the honor to represent a State that is unique in many respects in its history and in its physical and social make-up. It is the fourth smallest in size, the ninth greatest in population, and the fifth in war production. It lies between the two greatest industrial and market centers of the continent, New York and Philadelphia; and its highways are the most congested by all forms of traffic of any State in this Union. Our highways cost more to construct and maintain than those in any State in the Union. Twelve miles of highway near my home cost \$19,000,000, enough to construct 300 or 500 miles of highway in most other sections of the country. So the problem for New Jersey from the point of view of the allotment just referred to by the distinguished gentleman from Georgia is very, very discouraging indeed.

I have a few figures I should like to give you with reference to this bill. The bill proposes to do two things: To furnish a cushion to tide over the unemployment of men when they come back from the war and then to extend the highway system of the Nation, which, of course, is a very fundamental and necessary thing. The proposals under this bill are very strange. There seems to be no proper relationship established between the amount of unemployment or employment in the various States and the amount of money under this form of allotment which they will receive.

For instance, this bill makes \$489 available for the employment of every person in Nevada, who, according to the United States Department of Labor, may be expected to be demobilized from the armed forces or our war industries. It makes \$273 available for every demobilized person in Wyoming, \$208 available in Montana, \$195 in New Mexico, and \$145 in Idaho. On the other hand, it makes \$26 available for every demobilized person in New York, \$26 in Illinois, \$24 in Massachusetts, \$22 in Ohio, \$22 in Indiana, \$21 in Pennsylvania, \$17 in Maryland, \$16 in Michigan, \$15 in New Jersey, and \$14 in Connecticut, showing that the whole thing is upside down.

If we are going to have this legislation for the purpose of giving our demobilized men opportunity to earn an honest living, we ought to spend most of the money where the most of them are. I am going to detain you but a few moments longer and then have a little additional matter placed in the RECORD for further perusal.

Under this bill Nevada would receive \$115 per motor vehicle, Wyoming \$52, New Mexico \$49, Arizona \$39, Utah \$31; but, on the other hand, Illinois would receive only \$12 per motor vehicle, Michigan \$10, Ohio \$10, Maryland \$10, and Connecticut and New Jersey \$9 apiece.

In 19 years New Jersey has paid \$63,000,000 into this fund for helping road building in other sections of the country more than it has received from taxation. The question of gasoline taxation is an acute and personal one among our truck

owners as well as among the tens of thousands of our automobile owners and operators. So I hope when this bill comes before the House for amendment we will get down to the facts of the case and prepare a piece of legislation which will do justice to all sections and especially to my section where we are paying through the nose out of all proportion to what we get, which hurts the feelings of our thrifty people because of its apparent inequity.

After 19 months of study, public hearings, and public discussion, there is presented to the closing session of the Seventy-eighth Congress, a Federal-aid bill for post-war highway construction.

It calls for the expenditure of the large sum of one and one-half billions of dollars of Federal funds to assist in the construction of our Federal-aid system of intercity and inter-State highways, and Federal-aid system in the urban areas, and farm to market or secondary roads not on the Federal-aid system. The grounds upon which so large a post-war highway program was predicated are two.

First. To cushion the shock of post-war unemployment and provide jobs for our returning soldiers; second, to provide for much-needed highway facilities.

These purposes, while not specifically set forth in the present bill before this House, are set forth clearly in the committee report. Moreover, there could be no possible justification for this bill, which appropriates four times for 3 successive years the annual normal amount of Federal aid unless it would seek to meet the unemployment problem at the war's end through needed public works.

To assert that this present amended bill will do what its proponents assert that it will do is absurd. We cannot in good conscience tell our returning veterans that we of the Congress of the United States have appropriated one and one-half billion dollars to provide work opportunities at the war's end, when a critical examination of the bill discloses such glaring discrepancies.

Second. That this bill now before us will meet road needs. I do not pretend to know the road needs of the 48 States. I do know some of the road needs of my own State. Our needs, as the needs of every other State with a large population, are confronted with congestion in our urban centers. It is a peculiarly pressing problem in New Jersey. We have the greatest traffic density of any State in the Union on our highways.

The principal taxes on motorists are the 1½-cent gasoline tax and the \$5 automobile use tax. The amounts thus collected are closely related to the vehicles in the States. Any Federal-aid program which allocates funds to the States without a reasonable relationship to the number of motor vehicles is unrealistic, and any bill which seeks to meet the urgent road needs of the several States will fail in one of its major purposes if it is not closely related to the number of motor vehicles that are using the highways.

As I have pointed out, under the bill now before us Nevada would receive \$115 per motor vehicle; Wyoming, \$52; New Mexico, \$49; Arizona, \$39; Utah, \$31; on

the other hand, Illinois would receive only \$12; Michigan, \$10; Ohio, \$10; Maryland, \$10; and Connecticut and New Jersey, \$9 each, to mention but a few of the more populous States.

This disparity of aid in terms of motor vehicles is one important measure of road need. The House itself has both the wisdom and the power to produce a bill which will equitably and efficiently meet the road needs at the war's end. The general welfare will be best served, not by the advantage to the few at the expense of the many but by a proper regard for the welfare of all the States.

The Federal Government has been making grants to the States to aid in road building for many years. Usual appropriations of \$100,000,000 to \$125,000,000 were made. The States were required to match these funds on a basis of 50-50, except during the recovery period following the great depression.

This money was apportioned on the basis of the proportionate population, area, and post-road mileage in the several States—each of these factors received equal weight. Such a formula allowed roads to be constructed in many States largely at the expense of citizens in a few States. Federal taxes on motorists represent the fairest available estimate of the contribution of the several States toward all Federal expenditures. This applies particularly to highways. Of the money collected from New Jersey citizens to meet the Federal road bill, for every dollar which was returned to New Jersey, nearly \$2 were used for building roads elsewhere.

These Federal diversions from the few States as subsidies to others applied to about one-third of the States. This condition obtained for more than the last 20 years. In the beginning when the prime necessity was to get the motorist out of the mud, there was perhaps some justification for this. Although the inequity was apparent, little was done about it, principally because the size of the appropriation was relatively small. Now, the road situation has changed in that the prime necessity is to reduce the confusion of traffic in our cities. Roads carrying comparative volumes of traffic in sparsely settled States are of higher standards than those carrying the same load in the populous States. This may be said to be the results of the accumulation of these diversions and subsidies for this long period.

Some of the more populous States object very strenuously to a continuation of this arrangement. Agitation for more favorable treatment of the more populous States has continued for about 19 months, resulting in some slight considerations, but these are mere palliatives and do not give a solution of the whole matter. Although registration in the several States is a predominant factor in the use of highways, it is submitted that such a factor represents road needs and is very close to proper demobilization of soldiers and war workers. Is not registration of motor vehicles a better index of service and need in a State than is the area of that State? Is it not a better index than the miles over which the

rural mails are delivered? But we only ask that it receive equal consideration to area and possible road mileage as a factor to determine the proportion to the States. Even then we in New Jersey would be in a position of paying our entire road bill and contributing more money each year than formerly to the building of roads in other States. Is not this generous enough after all these years of helping other States?

We have seen in New Jersey the development of a good highway system, but each year we are falling farther behind in supplying our needs until our main arteries have become choked with traffic—in some places every day in the year. Often these traffic jams last for hours without relief. Many of our motorists stay home at times because they know from experience there is no room for them on our highways. The cost of New Jersey highways is far greater than those in other States. The burden of traffic on them is greater than in any other State by far, because New Jersey lies in the center of industrial traffic.

These are reasons why we must in justice have a greater return of taxes collected from our citizens, and a lesser diversion to other States than is proposed in this bill.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. EATON. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I preface my statement by saying that I have a high regard for the gentleman's views. I recall the very excellent statement he made before the committee with respect to the numbers demobilized. But is it not true, and cannot we take general knowledge of the fact that many people have gone from their States to States like New Jersey, Connecticut, and similar States where we have the enormous war enterprises and war factories that does not obtain with reference to the others, and that the people will in all likelihood go back to their original States so the number demobilized will not be the correct number that might obtain in normal times? I think that is a fair statement. It was developed and brought out before our committee from time to time. May I make this further statement: It does strike me that the committee has leaned over backward in providing for the populous areas where there are urban communities in that we have recommended the largest amounts ever heretofore allocated to such areas? I believe that the gentleman will agree with this statement, and I propound the following question, that not only as to the demobilized people, but these other people have carried their vehicles from Alabama, from Tennessee, and from Mississippi to Illinois, to Ohio, to New Jersey, to Michigan and Connecticut, so that the matter of those who are demobilized as well as the matter of the vehicles, I respectfully ask my colleague if in his judgment would give us the same standard that would obtain in ordinary times in reference to this matter?

Mr. EATON. Of course, my answer to the gentleman is that these are not normal times, and the conditions following



demobilization or in demobilization will not be normal, measured by normal standards. But in spite of the very seductive statement that the gentleman has made in all innocence, although I can see what his objective is, the stark fact that the taxpayers of New Jersey have to confront remains that in 19 years we have paid \$63,000,000 in cold cash into this road-building fund more than we got out of it. If there is anything in the world that an average Jersey man hates it is to have more taken out of his pocket by his neighbor than he puts in by his own industry.

Mr. WHITTINGTON. If it will be any comfort to the gentleman, I will say that the committee has an amendment which would increase the authorization to his State.

Mr. EATON. I am not only comforted but delighted to learn that New Jersey will have some consideration after a while.

Mr. MILLER of Connecticut. Mr. Speaker, will the gentleman yield?

Mr. EATON. I yield to the gentleman from Connecticut.

Mr. MILLER of Connecticut. In further answer to the question of the demobilized people and the people who have moved into New Jersey and Connecticut, those who have been in Connecticut for 3 years working in war industries—and most of them have been there 3 years—are now charges on the State of Connecticut. Although they came from Mississippi or Louisiana or Montana in the post-war period, their relief will be charged to Connecticut, regardless where they come from.

Mr. WHITTINGTON. And they would like to go home as fast as they can.

Mr. MILLER of Connecticut. Those going on relief I can assure you we will be glad to send home, but you still charge relief to us.

Mr. EATON. I would like to say in addition to that that those in New Jersey who will go on relief will like it immensely, because we will take unusually good care of them, and those who are strong enough and wise enough to come from other States to join our citizenship in their great productive capacity will have fine jobs as well, and we will make good citizens out of them, and in time we hope to have them all vote Republican.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. EATON. I yield to the gentleman from Oregon.

Mr. MOTT. The gentleman stated that over a number of years the State of New Jersey had paid into this fund a certain amount of money. He understands that this money is paid into the United States Treasury. It is not a fund at all. It is not even earmarked, and the Government expends annually for aid to States in road building only a portion of what it exacts in taxes from the road users of the several States; so it is not a fund at all that the gentleman said is a contribution.

Mr. EATON. Of course, the gentleman knows that the gasoline tax comes into the United States Treasury and, of course, mysteriously disappears like all

other taxation does in that relationship. But the fact remains that we have put up \$63,000,000 more than we got in this system of taxation, no matter how it is paid in or how it is paid out.

Mr. MOTT. But you do not put it into any fund.

Mr. EATON. A rose will smell just as sweet under any other name.

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the resolution under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FISH. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER] as much time as he may desire.

Mr. MICHENER. Mr. Speaker, I take this time for the purpose of asking a question or, rather, making a suggestion. This road bill has been most controversial ever since it was introduced in June. Even tempers have been ruffled. I think that now we are reaching a point where we can all agree, as we should agree, on highway legislation, because we are all vitally interested in it. It has been stated here by the acting chairman of the Committee on Rules, the gentleman from Georgia [Mr. Cox], that the Roads Committee itself has worked out some amendments that will be generally satisfactory and will solve the problem so far as the difficulty in the Roads Committee is concerned.

I see the distinguished chairman of the Roads Committee, the gentleman from Utah [Mr. ROBINSON] and the distinguished ranking minority member, the gentleman from Michigan [Mr. WOLCOTT] on the floor. I hope those gentlemen will see to it that there is printed in the CONGRESSIONAL RECORD their suggested amendment today, or not later than Friday, when the House again convenes, so that when the House takes the bill up for consideration and amendment under the 5-minute rule on Tuesday next, those of us—and that includes all of us—who are vitally interested in this important legislation will have some idea as to what the bill upon which we are supposed to act contains. Advance notice of the amendments to be offered will expedite the passage of the bill and also clarify the atmosphere.

Mr. FISH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, much of the objection to the bill is predicated upon the inequalities in the bill in respect to rural areas. I have proposed an amendment which I believe will remove some of the objections and distribute the money among the counties more equitably than might be done otherwise. I ask unanimous consent to revise and extend my remarks and include an amendment I propose to offer when the bill is read.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. On page 5 of the Senate bill (S. 2105), section 4 of which

will be offered by the committee as a substitute for section 4 of the House bill:

Amendment to subsection (b) of section 4, as amended: After the colon following the word "manner", insert "(1)", and after the word "States" strike out the period, insert a semicolon, and add the following new language: "and (2) apportioned among the counties of each State in the same manner as provided by part (1) of this subsection: *Provided*, That none of the funds authorized by this act for secondary and feeder roads shall be expended on any project unless such project conforms to standards to be established by the State highway department of the State wherein the project is located."

Mr. FISH. Mr. Speaker, I yield 2 minutes to my distinguished colleague from New York [Mr. EDWIN ARTHUR HALL].

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I rise on the occasion of the discussion of this road bill to look back a few years to the time when my predecessor, Mr. Bert Lord, was regarded in this House as the father of the farm-to-market road. As you know, in up-State New York there are miles and miles of undeveloped roads which have been benefited by this farm-to-market road program. I think it is safe to say that the up-State New York farmer would never have been able to get his produce to market had it not been for the improvement the State of New York accomplished in the construction of these farm-to-market roads. There is no question but that in some of the outlying districts, some of the sparsely populated districts in up-State New York, the benefit of this program has been shown.

In the section which provides for funds for rural highways, I want to see as much money appropriated as is already listed thereunder, and perhaps an increase in that amount. I understand the present proposal calls for \$125,000,000. I am told someone is going to propose an amendment increasing that amount. I want it made clear that as far as I am concerned I will support the program which calls for an improvement in rural roads.

Mr. COX. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Speaker, as chairman of the Texas delegation, I desire to state for the record that when the vote was taken a few minutes ago on the so-called crop-insurance bill, H. R. 4911, roll call No. 116, there was in progress in the Speaker's room in the Capitol a meeting of the Texas Members of Congress. The notice of the roll call required by the rules was not given, and none of those present had any knowledge that the roll call was in progress.

The following Members, among those who were present at the meeting of the Texas delegation, have requested and authorized me to state that had they received the customary notice they would have been present on the floor of the House and have voted for the bill: Mr. LUTHER A. JOHNSON, Mr. MAHON, Mr. POAGE, Mr. PATMAN, Mr. WORLEY, Mr. GOSSETT, Mr. FISHER, Mr. THOMAS of Texas, Mr. MANSFIELD of Texas, and I would have also voted for the bill.

Mr. FISH. Mr. Speaker, I yield the balance of the time to the gentleman from Illinois [Mr. VURSELL].

## SENATE

FRIDAY, NOVEMBER 24, 1944

(Legislative day of Tuesday, November 21, 1944)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all wisdom, away from the confusion of tongues we seek the quiet pavilion of prayer. For these searching moments may the bewildering voices of the world about us and the clamor of wordy arguments be hushed. In Thy presence our arrogance is rebuked and our pride of opinion is mocked as we confess that we but grope in the darkness and that our sight is dim, our knowledge is partial, and our judgments fallible. We would yield ourselves to Thee as we are, with all our failures and our ignorance and our self-will, and yet with the climbing aspirations of our better nature.

Make us honest and honorable enough to bear the vision of the truth, to have done with all falsehood, to cast away all pretense, together with the pettiness of our spirits and the craven fear of our hearts. Break down the narrow boundaries of our minds that shut us out from fellowship and understanding with any of Thy children. Teach us to value beauty of heart or brain in any strand of our common humanity, that we may become workers together with Thee in binding the races of man into that perfect family that shall belt the earth with good will when Thy radiant kingdom comes. In the name of Christ Jesus our Lord. Amen.

## THE JOURNAL

On request of Mr. HILL, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, November 22, was dispensed with, and the Journal was approved.

## MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of the secretaries.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. McLeod, one of its clerks, announced that the House had passed a bill (H. R. 4911) to amend the Federal Crop Insurance Act, in which it requested the concurrence of the Senate.

## ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 887. An act conferring jurisdiction upon the United States District Court for the Western District of Virginia to hear, determine, and render judgment upon the claims of John Weakley and Rella Moyer;

S. 1101. An act to provide for the payment of the claim of John C. Shaw, administrator

Speaker's table and referred to the Committee on the Disposition of Executive Papers.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DICKSTEIN: Committee on Immigration and Naturalization. S. 963. A bill relating to the imposition of certain penalties and the payment of detention expenses incident to the bringing of certain aliens into the United States; with amendment (Rept. No. 1920). Referred to the Committee of the Whole House on the state of the Union.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 4642. A bill to amend the Nationality Act of 1940; without amendment (Rept. No. 1921). Referred to the House Calendar.

Mr. ELLIOTT: Joint Committee on the Disposition of Executive Papers. House Report No. 1922. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEBERT:

H. R. 5521. A bill to abolish the United States Park Police force in the District of Columbia, to transfer the personnel of the United States Park Police to the Metropolitan Police Department, and for other purposes; to the Committee on the District of Columbia.

By Mr. ELLSWORTH:

H. R. 5522. A bill to amend the joint resolution of July 29, 1941, relating to the removal of officers from the active list of the Regular Army; to the Committee on Military Affairs.

By Mr. THOMAS of New Jersey:

H. Res. 656. Resolution relating to the disposition of the files of the Special Committee to Investigate Un-American Activities; to the Committee on Rules.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GORE:

H. R. 5523. A bill for the relief of R. H. Sindler; to the Committee on Claims.

By Mr. GREEN:

H. R. 5524. A bill for the relief of Willie H. Johnson; to the Committee on Claims.

H. R. 5525. A bill for the relief of John R. Jennings; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 5526. A bill for the relief of Axel A. Stromberg; to the Committee on Claims.

H. R. 5527. A bill for the relief of Mrs. Russell C. Allen and Molly Ann Allen; to the Committee on Claims.

H. R. 5528. A bill for the relief of Max Hirsch; to the Committee on Claims.

H. R. 5529. A bill for the relief of the New England Telephone & Telegraph Co.; to the Committee on Claims.

By Mr. McMURRAY:

H. R. 5530 (by request). A bill for the relief of Oswald Jaeger Baking Co.; to the Committee on Claims.

By Mr. GORE:

H. R. 5531. A bill for the relief of I. H. Beasley; to the Committee on Claims.

Mr. VURSELL. Mr. Speaker, I think one of the most important things that can be brought about by this bill, is to make certain that in the distribution of funds, and in the preparation for the allocation of funds, the rural areas should be given very careful consideration and attention. If we want to develop our farm sections and our rural sections there is nothing that would help to develop them more than better roads and rural electrification. It is much more important that we furnish transportation so that the farmer cannot only develop and improve his farm locality, but so that he can get his produce to the markets. I am more interested, and I think more good will be done, if we stay close to the rural areas to provide the proper transportation, than can be done if we go in in a larger way for belt and high-speed highways. After all, the farmers are one of the greatest segments of our population, and upon the farmer more depends than upon any other group of our citizens. This road bill will furnish an opportunity to lay a foundation that will help to improve agriculture and help to improve the financial economy of the country. We must make certain that the farmers' interests are taken care of in the allocation and distribution of these funds for the building of farm-to-market roads.

The SPEAKER. The time of the gentleman has expired.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

## EXTENSION OF REMARKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks on the subject of the road bill.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KEEFE (at the request of Mr. MURRAY of Wisconsin), 1 week, on account of illness.

To Mr. HOCH, for Friday, November 24, on account of official business.

To the Committee on Military Affairs (at the request of Mr. MAY), indefinitely, on account of absence on official business of the Committee on Military Affairs.

## ADJOURNMENT

Mr. CRAVENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 3 minutes p. m.) the House, under its previous order, adjourned until Friday, November 24, 1944, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

2029. Under clause 2 of rule XXIV a letter from the Archivist of the United States, transmitting a report on records proposed for disposal by various Government agencies, was taken from the